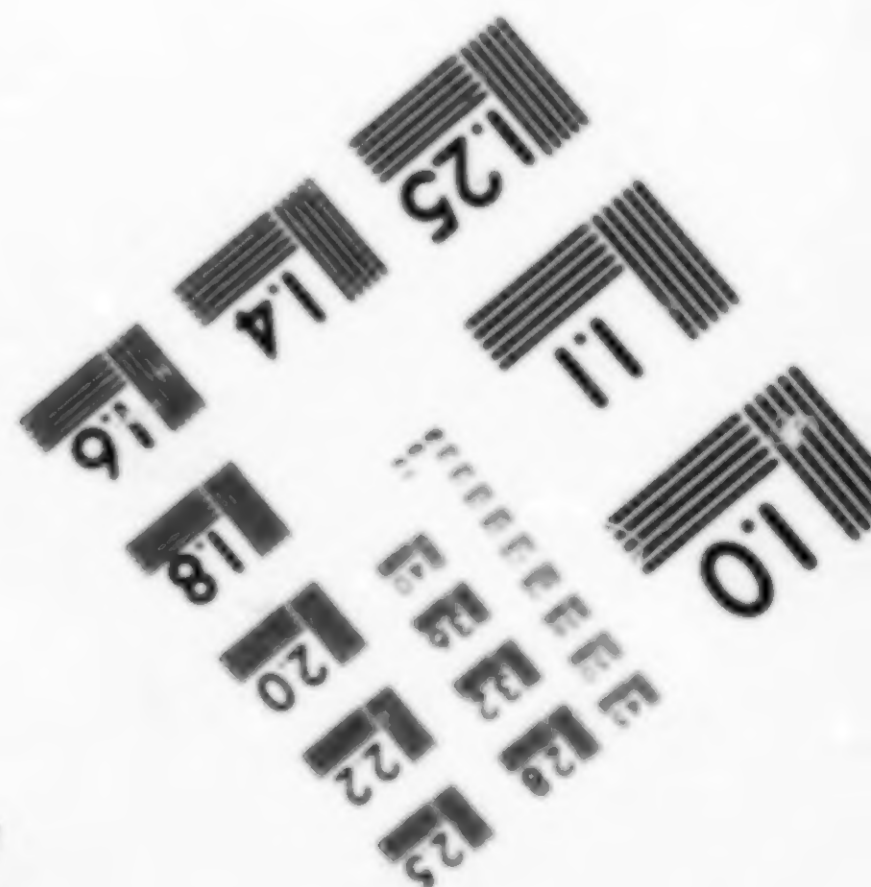
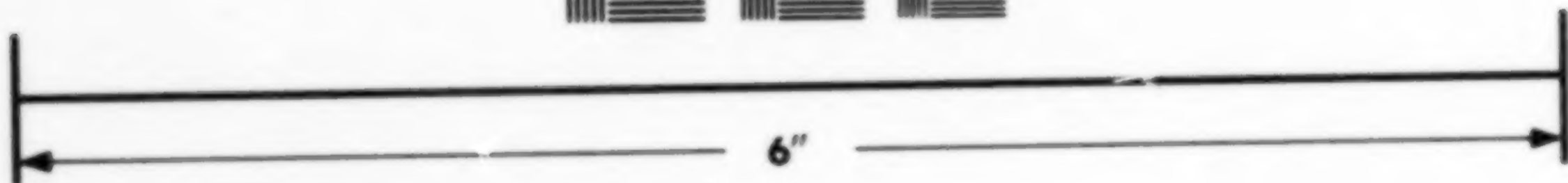
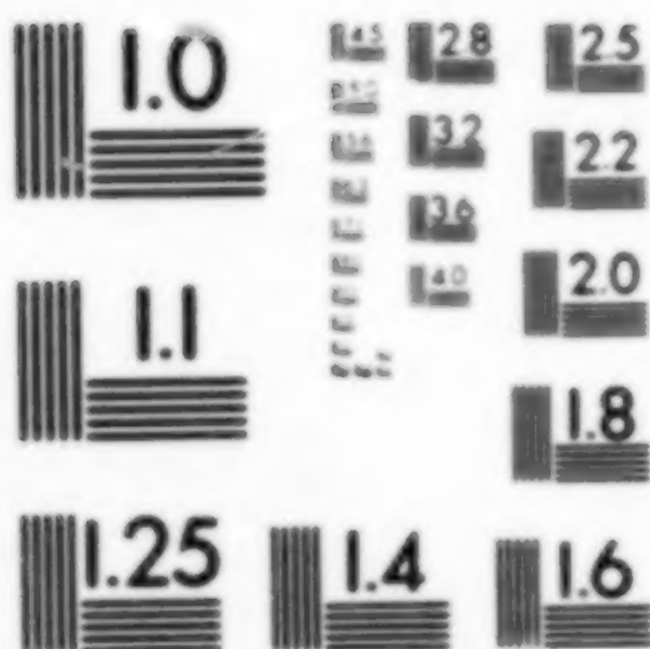


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Daily Report

East Asia

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3 January 1996

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Daily Report

East Asia

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Japan

Base Cut Plan Ready for Clinton-Murayama Meeting

OW0201051096 Tokyo ASAHI SHIMBUN
in Japanese 30 Dec 95 Morning Edition p 1

[FBIS Translated Text] The Japanese and U.S. Governments have arrived at a basic agreement they can confirm at the planned summit meeting between Prime Minister Tomiichi Murayama and U.S. President Bill Clinton next April. The agreement is based on "planning for the consolidation and reduction" of U.S. military bases on Okinawa and will be included in a joint statement to be issued after the meeting. The governments also plan to have an interim report that has been compiled by a consultative body on military base issues, which was set up following the alleged rape of an Okinawan schoolgirl by U.S. servicemen.

Among the issues addressed is the return of Futenma air field (located in Ginowan City), something the Okinawa Prefectural Government has lobbied for strongly. There has emerged a plan that could break the deadlock by combining several measures such as scaling-down the base through partial relocation and reducing aircraft noise. Studies are also being conducted regarding on the possibility of partially returning the northern training area that accounts for about 30 percent of the total area occupied by U.S. military bases on Okinawa.

The Japanese and U.S. Governments had initially planned to issue a joint statement aimed at reconfirming the importance of the bilateral security arrangement during President Clinton's planned visit to Japan last November. In November the section in the statement referring to Okinawa military base issues read: "We welcome the creation of a special action committee (a bilateral consultative body) to work on the realignment, consolidation, and reduction of military bases." However, following the postponement of Clinton's visit, the statement underwent review, and a decision was made that the phrase, "planning for the realignment, consolidation, and reduction" of military bases, would be expressly written down in the statement. This, in effect, will make the word "reduction," which was initially a target goal, a confirmed topic, a commitment between the Japanese and U.S. Governments.

The special action committee began its work in November with the goal of reaching a conclusion within a year. Since the postponement of the November summit meeting many in government circles feel that "indications will have to be made at the April summit meeting that progress is being made, and it will probably be necessary to issue a midterm report" (according to a senior Foreign Ministry official).

Okinawa prefectural government is to submit a military bases request in late January. The Japanese and U.S. governments will wait until then to work out the details of their plan for the consolidation and reduction of military bases. The joint statement will be supported by this plan. The two governments have already started separately studying their own draft plans.

According to officials with the Foreign Ministry and the Defense Agency [DA], the Futenma Marine Corps Air Station [MCAS], Ie-jima Auxiliary Air Field, and Kadena Ammunitions Depot, among other areas, "are under consideration as important elements" in Japanese studies (according to a senior Foreign Ministry official). These facilities are under consideration because the Japanese Government wants first to settle these matters after virtually neglecting — although it asked the U.S. Government for their return during a meeting of the Japan-U.S. Joint Committee in 1990. The government is primarily reexamining U.S. military facilities in central Okinawa, which is densely populated, to determine whether there are other U.S. facilities that could be scaled down or recovered.

Among such facilities, Futenma MCAS is located adjacent to downtown districts, and local residents have especially expressed a strong desire for its return. However, as it serves as a home base for the air unit belonging to the 3d Marine Division, which forms the core of U.S. forces stationed on Okinawa, it is still firmly believed that a "complete return will be difficult" (according to a senior DA official).

The government is currently studying several plans, including the possibility of combining some bases. Among the plans are the following ideas: 1) To separate the unit handling fixed-wing aircraft from that which handles helicopters, and relocate one of the units; 2) to relocate military housing and barracks only; and 3) to implement environmental measures such as an agreement on preventing aircraft noise.

However, matters have yet to be coordinated among the U.S. Defense Department, the Pacific Forces Command, which has jurisdiction over military affairs in Okinawa, and the U.S. Forces, Japan command regarding what to do about Futenma MCAS. Therefore, the Japanese Government is simply watching how things will develop.

Okinawa Governor Interviewed on U.S. Base Issue OW0301114896

[FBIS Editorial Report] Naha NHK Television in Japanese at 2220 GMT on 31 December 1995 carries a 25-minute recorded interview with Okinawa Governor Masahide Ota by NHK Okinawa Station Director Asao

Zakimi, reporter Yoichiro Tateiwa, and reporter Mutsumi Nishime, as a special program for the New Year's Day. In the interview, Ota describes his aspiration for the year and his hope for Okinawa's future laying emphasis on the U.S. base issue.

In reply to the opening question about the top priority task for 1996, Ota states: "In my view, the issue of realignment and reduction of U.S. military bases reached a climax in 1995, when consultative mechanisms were set between the Okinawan and Japanese Governments, as well as between the Japanese and U.S. Governments, to seek a settlement of the base issue. In the New Year, we will try to pave the way for settling the issue. When we think of Okinawa's future on the eve of the 21st century, realignment and reduction of the U.S. bases inevitably become the top priority issues."

Commenting on the fact that the U.S. base problem has become one of the most important political issues for Japan, Ota says: "The central government was quite indifferent to the issue in the first place; however, I was not pessimistic at all. Okinawa has been facing base-related problems for the last 50 years, and I am quite sure that these problems are very important for the entire nation since mishandling of these may damage friendship between Japan and the United States — the bilateral security ties in particular." Ota adds: "The Okinawa base issue is a fundamental problem of the Japan-U.S. security alliance, and nobody can deny this fact. Japan and the United States cannot smoothly run the security system without cooperation of the Okinawan people. I will not be affected by every single action taken by the central government. It has been my long-time belief that the central government should eventually face the problem, and that came true."

When asked about prospects for the base issue, Ota states: "The Japanese and U.S. Governments stress the importance of the bilateral security ties. Under such circumstances, it would be quite difficult to change the international policy with efforts by individuals, and this is the biggest obstacle to realizing visible changes in Okinawa. However, I will never give up hope. I will steadily work on what I can. If the bilateral security ties are really important, dividend of peace and adequate consideration should be given to Okinawan people and their burden. U.S. leaders are beginning to show understanding of these points — they are beginning to have correct understanding of Okinawa's base-related problems after a series of incidents took place last year. We are still in a difficult position, and I do not think all the problems can be resolved overnight. But I would like to try my best this year to realize visible achievements."

Mainland Asked To Accept Transfer of U.S. Bases

OW2912120695 Tokyo ASAHI SHIMBUN
in Japanese 28 Dec 95 Morning Edition p 22

[FBIS Translated Text] On 27 December, it was revealed that Taku Yamasaki, chairman of the Liberal Democratic Party's [LDP] Policy Research Council, and other LDP leaders unofficially sounded out local mainland communities with U.S. military bases about accepting U.S. facilities from Okinawa; some 75 percent of U.S. military facilities in Japan are concentrated in the prefecture. Although Yamasaki reportedly offered an increase in state subsidies and base-related expenses to compensate their burden if they accepted more U.S. facilities, the heads of these local communities turned down the offer, saying: "It is impossible to win residents' consent."

The proposal was made to 11 chairmen and vice chairmen of the National Council on Environment Around Defense Facilities [name as published] (chaired by Hamamatsu Mayor Masaru Kurihara), which is composed of 290 local communities with military bases, and the National Council on Military Bases [name as published] (which is headed by Yokosuka Mayor Hideo Sawada and composed of 262 municipalities). On 22 December, the two councils held a joint meeting of chairmen and vice chairmen at a hotel in Chiyoda Ward, Tokyo, to discuss their base-related budgetary requests for FY96. Yamasaki was invited to the meeting. Of the attendees, five were mayors and deputy mayors of municipalities with U.S. military facilities, including Yokota, Yokosuka, Iwakuni, and Misawa.

According to attendees, Yamasaki asked if it was possible for them to accept some U.S. facilities in Okinawa if the government increased subsidies for building public facilities and roads to alleviate their "trouble" of accepting more military bases. However, the two councils refused the offer, saying: "We cannot give you a favorable answer."

Concerning the proposal that subsidies would be increased if they accept additional U.S. facilities, a mayor who attended the meeting said: "It was unclear whether it was Yamasaki's proposal or the LDP's. Mayors are responsible for their residents. Although we understand Okinawa's hardship, we cannot accept more military facilities."

Yamasaki's office said: "We cannot comment as it is still unclear whether or not the scheme to relocate U.S. facilities in Okinawa (to mainland Japan) is practicable."

Assembly Rejects Hansen Plan on U.S. Base

OW2912035295 Naha RYUKYU SHIMPO
in Japanese 27 Dec 95 Morning Edition p 2

[FBIS Translated Text] On 26 December, a group of Nago City Assembly [NCA] representatives, including Speaker Munehiro Gakiya, visited the Naha Defense Facilities Administration Bureau [DFAB], Okinawa Prefectural Government [OPG] and other concerned organs to state its opposition to an agreement reached at the Japan-U.S. Joint Committee on the partial return of a slope on the western side of Camp Hansen and demand for the complete withdrawal of this return plan.

This proposal is based on a resolution adopted at the NCA meeting on 22 December. Maintaining that the Japan-U.S. accord is an "attempt at slenderly-cut [hoso-giri] return" in its resolution, the NCA criticized the accord: "Since the revenue sources of involved cities, towns, villages, and districts are covered by rents for the land used as military bases, we cannot but say that the plan for a prompt return of bases without any plan for the use of the returned land indicates that no consideration at all is given to local residents." The NCA calls for the withdrawal of the agreement.

Speaker Gakiya pointed out: "We cannot tolerate any return plan which is proposed without suggesting any plan for the use of the land after the cut of the base-related revenue amounting to 260 billion yen a year." Kenyu Shimabukuro, chairman of special committee on base-related issues, said: "In order to protect the interests of local residents, it is absolutely impossible to approve the return plan without any plan for the use of the returned land. This return plan must be withdrawn."

Shigemichi Saeki, director of the Facilities Department under the Naha DFAB, said: "Since the accord was reached between the Japanese and U.S. Governments, it is impossible to make this accord a scrap of paper. I hope you will understand that routine administrative procedures will have to be taken."

At the OPG, the group was received by Hirotaka Teruya, deputy director of the Governor's Office. Teruya stated his understanding about the appeal, saying that "the new task is how to harmonize plans for realigning and reducing bases with plans for the use of returned land while taking local concerns into consideration." On the other hand, Teruya avoided stating clearly what measures OPG will take and said: "In a certain aspect, it will be difficult to reject the accord reached at the Japan-U.S. Special Action Committee."

The Assembly delegation also called at the Prefectural Assembly and the American Consulate General in Okinawa to make the same appeal.

PRC, ROK Disputes Likely Over Economic Zone

OW0101015496 Tokyo TOKYO SHIMBUN
in Japanese 29 Dec 95 Morning Edition p 1

[FBIS Translated Text] The government firmed up plans on 28 December to discuss ratification of the "UN Convention on the Law of the Sea" [UNCLS] at the next ordinary Diet session and, once Diet approval is won, to establish a 200-nautical-mile "exclusive economic zone." However, should Japan establish such a zone, it is certain that two territorial disputes — one between Japan and the ROK over Takeshima and another between Japan and the PRC over the Senkaku Islands — will resurface.

Japanese relations with the ROK and the PRC became awkward this year as a result of differences between Japan and the latter over differences of view over the events of World War II. It is possible that Japan's ties with these countries may become entangled again.

Under the UNCLS, coastal countries are authorized to establish an exclusive economic zone extending 200 nautical miles from the base line of their territorial waters. Within these zones, coastal countries can probe for, develop, preserve, and manage natural resources, and create and use artificial islands, as well as exercise other rights.

So far, Japan has established a 200-nautical-mile fisheries zone, but has yet to set up an economic zone. Neither the ROK nor the PRC have set up fisheries or economic zones. Japan, reportedly, has not yet set up an exclusive economic zone to avoid inflaming territorial disputes with the ROK and the PRC.

To date, 81 countries are signatories to the UNCLS, and most of them have set up exclusive economic zones. The Japanese Government, therefore, has firmed up plans to exercise the rights authorized by the UNCLS and set up an exclusive economic zone.

Under the UNCLS, a line is drawn along the middle of any area where one country's exclusive economic zone overlaps with that of another. In the case of Japan and the ROK, the line would be drawn with Take-shima, which is claimed by both, serving as the base line.

The ROK National Assembly has already approved the idea of the country becoming a signatory to the UNCLS. The ROK Government is watching developments in Japan. There is a strong likelihood a territorial dispute between the two countries will flare up again when Japan establishes its exclusive economic zone.

Meanwhile, Japanese and Chinese exclusive economic zones would also overlap. As Japan virtually controls the Senkaku Islands, it will draw the middle line using

the islands as the base line. However, should the PRC do the same, a territorial dispute over the islands will flare up between the two countries. As the PRC is expected to become a signatory to the UNCLS in the spring of 1996, it is unlikely Japan can avoid getting involved in a dispute with the PRC.

Ministry Expresses Concern Over DPRK Situation

*OW0201041896 Tokyo ASAHI SHIMBUN
in Japanese 30 Dec 95 Morning Edition p 3*

[FBIS Translated Text] The Foreign Ministry's International Intelligence Bureau has recently compiled a "Review and Outlook" of the international situation in which it explains its view of the situation on the Korean peninsula. Asserting that "tension continues to exist" there, the bureau says that from now on, "the focus will be on whether effective measures can be taken to deal with the food and fuel shortage" in the DPRK (North Korea).

In this way, the bureau reemphasized that Japan is seriously concerned about the situation in the country.

The bureau notes that the North Korean economy has been continuously deteriorating since the beginning of the 1990's and that floods that struck the country last summer have caused considerable damage.

The bureau also believes that despite its economic crisis, North Korea is channeling a great amount of its resources for military purposes. The bureau says that North Korea is deploying a huge military force around the demilitarized zone, and tension continues there.

Ozawa on Joint Maneuvers on Korean Peninsula

*OW0201113496 Tokyo SANKEI SHIMBUN
in Japanese 31 Dec 96 Morning Edition p 1*

[FBIS Translated Text] Ichiro Ozawa, newly elected president of New Frontier Party, granted an interview to SANKEI SHIMBUN on 30 December. On the security issue, he disclosed his view that it is unconstitutional for Japan to take part in joint maneuvers with the United States, the ROK, and other countries during an emergency on the Korean Peninsula. He said that Japan should follow the instructions of the United Nations.

On his concept for forming a "UN police unit," which was introduced during the party presidential election, Ozawa said: "It would be against Article Nine of the Constitution if the unit were placed under the command of the Japanese Government. I am of the view that we should entrust everything to the United Nations." In this way, he stressed once again the view that the "police unit" can sufficiently play an active part within

the framework of UN collective security if it is placed under UN command.

Regarding the use of the collective right of self-defense, Ozawa insisted that it may violate Article Nine. He said: "If Japan and the ROK sign an accord, we can act under Japan's own command if North Korea attacks us. However, we cannot allow this to happen because there is a possibility that such an act may run counter to the exercise of sovereign rights." In this way, he explained that Japan cannot take part in joint maneuvers — including actions between Japan and the ROK, and Japan and the United States. He then said: "We will take part in joint maneuvers if the United Nations says they are part of UN peace activities."

During the Hosokawa and Hata administrations, Ozawa studied, through discussion with the Social Democratic Party of Japan on attaining power and through other channels, the possibility of Japan, the United States, and the ROK dealing independently with an emergency on the Korean Peninsula. However, the remarks he made during the interview reflect his severe judgment in terms of the Constitution on the extent to which Japan can take part in joint maneuvers.

Professor Urges Humanitarian Aid to DPRK

*OW0301061696 Tokyo TOKYO SHIMBUN
in Japanese 31 Dec 95 Morning Edition p 5*

[FBIS Translated Text] Yasuhiko Yoshida, a professor of international relations at Saitama University, recently made a week-long visit to the DPRK (North Korea), which is suffering from food shortages caused by flooding. Yoshida, himself, continues to personally help the DPRK by providing food aid, such as eggs, to the country. According to him, North Korean officials said: "In addition to eggs, we want rice," and: "We will need rice for the next two years." These reported remarks indicate that the food crisis in the country will last for at least two more years. Professor Yoshida returned home on 30 December and wrote the following article for TOKYO SHIMBUN.

According to a survey by Pyongyang, more than five million North Korean people, about a quarter of the DPRK population, were victims of the torrential rains that hit the western and northwestern parts of North Korea in July and August. During my recent visit I saw many farm fields buried under mud and bridges washed away by the floods in the hardest-hit Rinsan and Unpa districts in North Hwanghae Province.

My assignment there was to deliver 10,000 eggs and 25,000 apples from a volunteer group in Japan to children in the disaster-stricken areas, and to see that

this food, sent in good faith, reached the hands of North Korean children. Anyway, I felt relieved when I visited day nurseries and kindergartens in Rinsan and Unpa and found the children there were healthy and cheerful.

Nevertheless, North Korea's rice shortage is serious. The country harvested 3.49 million tons of rice this year, less than half the usual crop. The authorities are struggling to maintain the food supply until the next rice harvest in the latter half of 1996.

International Affairs Bureau Chief Chong Yun-hyong, who chairs the flood countermeasure committee set up under the State Administration Council, thanked us for the food aid from Japan. He added, though: "I strongly hope you will also provide rice aid."

There is not enough food aid from international organizations. The UN Department of Humanitarian Affairs (DHA) sent a fact-finding team to North Korea in September. After the team's return it decided \$15 million in emergency aid to the DPRK was needed and asked UN members to donate. By the end of the year, however, it had only received \$5 million, far from the target figure.

UN officials in Pyongyang think it inevitable that the cold of winter, which brings the temperature down to 15 degrees below zero at night, and food shortages in North Korea will cause death from hunger and cold. Some unofficially criticize Pyongyang for its failed farm policy.

My interest naturally centers on the timing of Kim Chong-il's appointment to the posts of general secretary and chief of state. When I asked about this, the authorities concerned said: "It is customary for North Korean people to observe mourning for three years. The secretary is merely following this custom."

I did not see any evidence the DPRK's power base had become shaky. Diplomatic sources in Pyongyang even go so far as to think that Pyongyang's lead in implementing needed measures after the flooding has helped strengthen the internal structure.

This was my second visit to the DPRK. I made the first trip last summer. It has been impressive that, over the past 18 months, Pyongyang had steadily promoted work to develop the image of the late President Kim Il-song as a god.

Every day there is a long line of people visiting the newly-built Kumsusan Memorial Palace in the suburbs of Pyongyang, where the late president's body, which received treatment for permanent preservation, lies in a glass case. There are also a great number of people who

visit the Mansu Tae Hill in the center of Pyongyang to lay a wreath before the statue of the late president.

Pyongyang's efforts to boost the image of the late president as a god, to create favorable conditions under which Kim Chong-il can take over the duties of leader of the DPRK, appear to have produced satisfactory results.

I think North Korea currently needs to maintain an adequate level of tension in relations with other countries to get through the current difficulties caused by flooding and to strengthen internal structure in preparation for the transfer of power to Kim Chong-il. From the viewpoint of peace and stability in Northeast Asia. It would be undesirable for Japan, the United States, or South Korea to take advantage of the DPRK's hardships and intensify confrontation with the country. Such action would only add to the difficulties facing the North Korean people.

Now is the time for us to extend full-scale humanitarian aid to the victims of floods in the DPRK.

Cuban Ambassador Comments on Economic Reforms

OW2812020395 Tokyo TOKYO SHIMBUN
in Japanese 26 Dec 95 Morning Edition p 7

[Report on interview with Eduardo Delgado, Cuban ambassador to Japan, by foreign affairs reporter Yuji Yamamoto; place and date not given]

[FBIS Translated Text] Eduardo Delgado, Cuban ambassador to Japan, who is set to return to his country when his 4-year term expires shortly, granted an interview to TOKYO SHIMBUN recently. He said that Cuba is proceeding with economic reforms, including the introduction of a law on foreign investment, and expressed strong hopes that Japanese companies will pour investments in his country.

In September, the Cuban Government enacted a law raising the limit on the ratio of capital provided by foreign firms to 100 percent, approving preferential tax treatment to investors and allowing them to send profits to their home countries, while maintaining the socialist structure.

Commenting on Cuban society, the ambassador cited the following points: 1) The percentage of students enrolling in colleges is high, and there is a labor force that is better than in other developing countries; 2) public sanitary standards are high; and 3) terrorism and kidnapping are impossible because public order is well maintained, and there are no labor strikes. He stressed: "Rapid improvement of the legal system is under way, and the environment for investments is taking shape."

The ambassador explained that although the approximately \$2-billion debt Cuba owes Japan is a problem, the Cuban Government now intends to reduce the debt by increasing exports to Japan of such products as nickel ores, lobsters, and coffee, in addition to sugar, Cuba's primary product. Although an increasing number of tourists are coming to Cuba from Canada and Europe, the ambassador touted: "Tourists can heartily enjoy one of the most scenic coasts in the world, streets lined with Western architecture remnant of the colonial days, and music such as the mambo and the rumba."

He indicated his view when stating: "I think this suggest that the Cuban regime will now launch full-scale campaigns to attract Japanese tourists by constructing hotels backed by Japanese capital and shortening travel time, among other ways."

In mid-December, Cuban President Fidel Castro paid his first, though unofficial, visit to Japan and met with Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono. Delgado said: "While his visit was short, President Castro seems to have been sincerely impressed with Japan's progress. Although he only visited Tokyo this time, the president is keenly interested in Japanese cities and in particular, in local agricultural progress. If he should visit Japan again, he will probably want to make an inspection tour of local regions."

Cuba is recognized as a "sports superpower." Much attention is focused on the day that Cuban baseball players will be able to leave their country to play for foreign professional baseball teams. The ambassador indicated his outlook, saying: "For the time being, Cuban baseball players will set their sights on the Atlanta Olympic Games next year. After that, the government may possibly determine its policy on the issue of Cuban baseball players' playing overseas."

Automakers' Penetration Into PRC Market Viewed

*OW3012062195 Tokyo KYODO in English
0407 GMT 30 Dec 95*

["News Focus" by Geoffrey Murray: "Smaller Japanese Automakers Expand Presence in China"]

[FBIS Transcribed Text] Beijing, Dec. 30 KYODO — Japan's penetration of motor vehicle manufacturing in China is being led by its smaller companies, not the giants.

Isuzu Motors Ltd. has created the first Japanese holding company in the automotive sector to provide a platform for further investments with an initial \$35 million available to add to \$70 million already pumped into various joint ventures.

Isuzu has two light truck manufacturing joint ventures in Chongqing, Sichuan Province, and in Nanchang, Jiangxi Province, a special-purpose truck joint venture in Beijing and three other component ventures in Chongqing producing forgings, castings and molds. Company sources said future investment will mainly go to the same cities.

Isuzu is also involved in one of the more interesting ventures in China, where Beijing Light Bus, a state-owned minibus maker suffering from heavy losses, has effectively been taken over by its minority shareholder.

The Japanese company only has a 15 percent stake in the business, but at a shareholders' meeting in October 1995 it was agreed to appoint Yasuhisa Kijima as general manager of the Beijing operation with the task of introducing Japanese-style management and new technology to repair the fortunes of Beijing Light Bus.

Isuzu and trading giant Itochu Corp., which has a 10 percent stake, made history after gaining entry to the Chinese company through the purchase of "legal person shares" — owned by government bodies and institutions, and not traded on the stock exchange.

This was the first time such a transfer had been allowed, opening up the possibility of more foreign access to China through mergers and acquisitions.

Whether Isuzu can change the fortunes of Beijing Light Bus, crippled by high production costs and poor product design remains to be seen. But it now has a very important base for Isuzu's further expansion.

The Chinese Government has adopted a new policy toward the automotive industry, destined to become a "pillar industry" of the national economy, which calls for existing domestic companies to be forced into a small number of integrated groups either operating alone or in collaboration with foreign companies.

There will be three or four "world level" companies, along with another six or seven "backbone" manufacturers around the country.

With further opportunities for mass passenger car production involving foreign investors likely to be limited for some time to come, Japanese companies such as Isuzu are expanding their base through production ventures involving small cars, minivans, minibuses and trucks of various size as well as parts supply.

Recent developments include:

— Fuji Heavy Industries Ltd. agreed to take a 15 percent stake in Hebei Zhongxing Automobile and provide technical assistance in the manufacture of commercial vehicles. Fuji will also assist in parts production.

— Tianjin Automotive Industrial Group early next year will begin production of a 1300 CC Charade model of Daihatsu Motor Co. The two companies have a long-term technical cooperation agreement, which includes production of a 1000 CC Charade.

— Suzuki Motor Corp. managed to break into car production with a 35 percent stake in a joint venture with China North Industries Group in Chongqing. The venture has just started production with an initial output of 20,000 of Suzuki's Alto sedans, due to rise to 50,000 in 1996.

Among the big companies, Toyota Motor Corp. is reported negotiating with Sichuan Tourist Coach Co. in Chengdu, capital of the southwestern province of Sichuan, for a joint venture to produce up to 20,000 small buses a year.

Toyota already makes vans and minibuses with the state-owned Jinbei (Gold Cup) Automotive in Shenyang. Its partner is a conglomerate of automotive parts makers with a workforce of some 50,000.

Nissan Motor Co. has a 5 percent stake in a \$30 million joint venture to produce pickup trucks in the central city of Zhengzhou.

It chose to begin with pickup trucks because they require between a third and a half less investment than passenger cars and so represented a cheaper option and lower risk while learning about the market.

It is now seeking to expand its presence through talks on possible cooperation with Nanjing Automobile Works in Jiangsu Province, which produces light trucks and minivans. The attraction here is that Nanjing has been selected as a likely site for passenger car production eventually.

This is one of the last projects likely for some time to come. After a year of fierce competition between General Motors Corp. and Ford Motor Co., both of the United States, the former was finally chosen recently as the partner in a \$1 billion project to produce midsize cars in Shanghai. Nanjing and possibly Tianjin are now the only prospective manufacturing sites still open.

Major domestic parts suppliers to the Japanese automotive industry are also increasing their presence in China to support main customers such as Toyota, Nissan and Honda Motor Co.

Typical of this is a recent deal by Hitachi Ltd. for a joint venture with Changsha auto electric works in Hunan Province, in which the Japanese side has a controlling 60 percent stake.

The partners are to invest \$10 million in a factory with an annual production capacity of between 100,000 and 200,000 chokes and alternators.

Honda Motor itself is to apply to the Chinese Government for permission to establish a plant to build small passenger car engines in collaboration with Dong Feng Motor Co., which is currently making cars with PSA Peugeot Citroën of France. The planned venture is expected to produce 150,000 engines a year.

Parts are a major growth sector, especially as foreign companies entering the car manufacturing market have to agree to source 40 percent of their purchases within China during the first year of production, rising to 80 percent within eight years.

By 2000, the government wants to see the standardization of domestically produced components, with quality improved and costs reduced.

Tokyo To Consider Disclosing Jusen Debtors

OW2812050095 Tokyo KYODO in English
0401 GMT 28 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO — The government will consider the possibility of making public a list of debtors of seven debt-ridden housing loan companies (jusen) which are to be liquidated with use of taxpayers' money, government sources said Thursday [28 December].

The government plans to report the results of a survey of customers of the housing loan companies to a meeting of cabinet ministers related to the issue before the ordinary Diet session begins, which is expected to be Jan. 22, the sources said.

At the meeting, the government hopes to decide on how to deal with the list of customers, they said.

The government's decision to inject a total of 685 billion yen for the liquidation of the housing loan firms, without fully probing who were responsible for their plight, has brought a storm of public criticism.

The sources suggested the disclosure of the list will require careful deliberation.

Some of the defaulting borrowers from the housing loan companies have connections with crime syndicates, but there are also people who really cannot repay their loans though they want to, the sources said.

The government will have to consider the advisability of disclosing such a list before prosecutors start investigations, they said.

New Official Termed 'Ace in Tax Affairs'

OW3012060595 Tokyo KYODO in English
0412 GMT 30 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 30 KYODO — Tadashi Ogawa, who will become vice finance minister in early January, is nicknamed "an ace in tax affairs" at the Finance Ministry, ministry officials say.

Ogawa, 55, will take his new post Jan. 5, replacing Kyosuke Shinozawa, who has offered his resignation to Finance Minister Masayoshi Takemura. Takemura accepted Shinozawa's resignation Friday [29 December].

Shinozawa resigned to take the blame for a series of financial scandals, including the involvement of ministry officials in improper activities, analysts said.

Compared with many of his predecessors who rose to the top administrative post from the ministry's Budget Bureau, Ogawa has long experience in the tax bureau.

Ogawa was director general of the Tax Bureau when the tripartite coalition government decided to increase the consumption tax rate from the present 3 percent to 5 percent starting in April 1997.

Since Shinozawa became vice finance minister last May, Ogawa has been regarded as the most likely candidate to succeed Shinozawa when he left the post.

According to a senior ministry official, Shinozawa carries out his duties flexibly but Ogawa tends to stick to rules and procedures.

When Noboru Takeshita assumed the premiership in 1987, Ogawa became a secretary to the prime minister at Takeshita's request. He earlier served as secretary to Takeshita when he was finance minister.

Employment of Foreigners With Skills Increases

OW2812100495 Tokyo KYODO in English
0848 GMT 28 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO — The Justice Ministry's Immigration Bureau approved the entry into Japan of 6,564 foreigners in 1994 who planned to work in the country using their skills, up 14 from the previous year, officials said Thursday [28 December].

The foreigners received permission to work in Japan as language teachers, interpreters or other technical jobs, the officials said.

The increase shows that foreigners with certain skills are not affected by the country's prolonged economic slump, which is deteriorating the domestic employment condition, they said.

Of the total, the largest single group was 2,063 from the United States, followed by 890 from Britain, 710 from Canada and 704 from China.

MITI Announces Results of Deregulation Review

OW0301054396 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 28 Dec 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] announced on 27 December the results of its review of a deregulation plan following requests from people at home and abroad that 413 regulations be eased.

MITI's new deregulation measures include the abolition of the licensing system for sales of liquid petroleum (LP) and the simplification of applications for licenses required under the Large-Scale Retail Store Law. MITI initially planned to reflect outside opinion by disclosing its review measures by the end of January. After noticing the growing voices at home and abroad calling for early disclosure of the review measures, MITI decided to do so ahead of its initial plan.

MITI has reacted positively to the requests, saying that 141 cases "have already been dealt with or will be dealt with." The ministry postponed measures to deal with 95 other cases, saying they are "still being studied." Of the remaining 109 cases, including one to ease the three principles governing arms export, MITI has shelved a decision, saying they are "difficult to deal with."

The ministry plans to incorporate a total of 100 cases — 80 from among the group of 109 cases and 20 of MITI's own plans — in the fiscal 1996 plan to promote deregulation.

Other ministries and agencies will also submit study results to the Management and Coordination Agency by 28 December. Many of them, however, say "we will not disclose our preliminary plans because readjustments will be needed after they have been submitted," (according to the Ministry of Agriculture, Forestry and Fisheries). MITI is criticizing other ministries and agencies, saying they "have been slow to submit deregulation measures because they do not want to be asked by the Diet to do anything more," (according to MITI's Industrial Policy Bureau).

Commentary Views Murayama's News Conference

OW0301004996 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 1 Jan 96 Morning Edition p 2

[FBIS Translated Text] At his New Year news conference Prime Minister Tomiichi Murayama declared his determination to attend the summit talks of industrialized nations [G-7] (in Lyon) in June.

Looking ahead to the new year, he stressed it would be "another year of challenge." He indicated he would continue to take the political initiative, even after winning Diet approval of the draft fiscal 1996 budget. Some members of the Liberal Democratic Party expect Murayama to hand over political power to Deputy Prime Minister Ryutaro Hashimoto, concurrently minister of international trade and industry.

Murayama's remarks, however, seem to indicate he intends to ignore such speculation and aim to prevent further deterioration of his leadership.

He repeatedly stressed he "intends to positively deal with issues and stabilize the unity of the tripartite coalition."

On the issue of housing loan companies (jusen), he said it would be difficult for previous finance ministers to escape the responsibility they carry. This move to check the ambitions of Hashimoto, who previously served as finance minister, is seen as a shrewd move.

Murayama also discussed the possibility of a general election following the dissolution of the lower house, but added that such a plan "is not on my mind." His remark is seen as a rejection of the call for an early dissolution of the lower house.

As the New Frontier Party, led by President Ichiro Ozawa, has indicated its intention to strengthen confrontation over the jusen issue at the ordinary Diet session, it will be difficult for Murayama to ignore the party's call for Finance Minister Masayoshi Takemura to resign.

It seems Murayama will face further difficulties in continuing to deal with the further political situation.

Nosaka: Murayama's Visit to Shrine 'No Problem'

OW2812053495 Tokyo KYODO in English
0458 GMT 28 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO — The government sees no problem in Prime Minister Tomiichi Murayama paying a visit to Ise Shrine in Mie Prefecture in western Japan on Jan. 4, a top government spokesman said Thursday [28 December].

"There are various arguments against visiting Yasukuni Shrine, but prime ministers' visits to Ise have already become a customary annual event," Chief Cabinet Secretary Koken Nosaka told a press conference.

Answering questions about whether Murayama's Ise visit does not violate the constitutional principle of separation of state and religion, Nosaka said Murayama's Social Democratic Party has also discussed the problem and agreed to sanction the visit.

During the 38-year period to 1993 of single-party rule under the Liberal Democratic Party (LDP), LDP premiers made it a rule to pay a new year visit to Ise.

Ise Shrine enshrines the goddess Amaterasu, the legendary ancestor of the imperial family, while Yasukuni Shrine enshrines the Japanese military war dead.

Murayama, who came to power in June last year, did not go to Ise in January this year because of a cold.

Five SDPJ Members To Quit; Form New Party

OW3112140495 Tokyo KYODO in English
1027 GMT 31 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 31 KYODO — Senior left-wing upper house member Osamu Yatabe, who has just quit Prime Minister Tomiichi Murayama's Social Democratic Party (SDP), said Sunday [31 December] he will form a new political party with four other legislators on New Year's Day to keep the pacifist postwar constitution.

The four others are Tatsukuni Komori and Hiromi Okazaki, both from the Independent Club in the House of Representatives, and House of Councillors members Tetsuo Yamaguchi and Kimiko Kurihara, both of the SDP, according to Yatabe.

At a press meeting, Yatabe, 63, said the new party will be named "Shin-Shakaito/Heiwa Rengo" (New Socialist Party/Peace Alliance).

All five legislators belong to a pro-constitution leftist group.

The group opposes the major policy shift of the SDP such as legalizing the Self-Defense Forces and adherence to the U.S.-Japan security arrangements.

The group also opposes establishment of a new "liberal party" sought by a center-right group.

Yatabe said a scheduled SDP party convention on Jan. 19 is the virtual launching of the proposed new party.

Yatabe added the group is against the basic policy of the current three-party coalition government, particularly its policy on the U.S.-Japan security arrangements, the Self-Defense Forces and Okinawa where most of the U.S. military bases in Japan are located.

The SDP is a partner in the tripartite ruling coalition that also includes the Liberal Democratic Party (LDP) and New Party Sakigake, an LDP splinter group.

Yatabe disclosed his decision to quit the SDP on Saturday. Yamaguchi has also announced his departure from the party.

Yatabe said the new party will call for a freeze of a plan to raise the consumption tax rate and seek the eventual abolition of the tax as well as the scrapping of the single-member constituency system.

Yatabe said the party will also aim to realize Okinawa islands without any U.S. military bases in the coming century.

Editorial Comments on Ozawa's Election Victory

*OW0301124196 Tokyo MAINICHI SHIMBUN
in Japanese 28 Dec 95 Morning Edition p 5*

[Editorial: "Ozawa's Capability is Yet To Be Tested"]

[FBIS Translated Text] Ichiro Ozawa has been elected New Frontier Party president.

He won an overwhelming margin over Tsutomu Hata in the New Frontier Party's election opened to the public for a fee of 1,000 yen per vote. Criticism is rife that bloc voters, involving corporations and organizations, including major construction companies, were mobilized to ensure Ozawa's victory. Also, about 2.4 percent of the votes were said to have been fraudulent. Reportedly, "names of other people were used without their knowledge."

New Frontier Party thinks that the way of holding the recent election was strictly an election method for a transitory period. The party should thoroughly study its problems and revise what they have to revise if they want to use this method in the future, too.

Ozawa is 53 years old. Ryutaro Hashimoto — (deputy prime minister and international trade and industry minister), president of the Liberal Democratic Party [LDP] and Ozawa's archrival — is 58 years old. The politicians, who were born after the 10th year of the Showa Era, became heads of the two major parties. We can say that the gear of generation shift made another turn.

This is not all. Ozawa — who has been playing the role of behind-the-scene strategist and manipulator, for which he has been denounced by his opponents as dictatorial and secretive — will finally seek power out in the open in line with a scenario written by himself. To the extent that his political techniques are becoming more visible, Ozawa's election is a welcome development to the people.

Ozawa never explained his policy during a Diet interpellation or a Budget Committee meeting even when he was secretary general of the LDP's Kaifu cabinet. Even after he became secretary general of the New Frontier Party, he has often stayed away from Diet proceedings and sometimes acted like a secret agent. To members of

the anti-Ozawa forces, such a behavior appeared egoistic and gave way to criticism of double power structure. Now that he is a party president, he can no longer behave the way he did.

Ozawa will ask questions regarding Prime Minister's policy speech in the interpellation during the next ordinary Diet session slated to be convened in late January. During the recent party presidential election, Ozawa launched policies designed to "raise the consumption tax to 10 percent in 10 years while reducing national and local income taxes by one-half"; "create a policing force of 50,000 apart from the Self-Defense Forces to serve under the United Nations"; "reduce the number of the central government ministries and agencies to 15"; and "reorganize cities and towns across the nation into 300 municipalities."

Ozawa touches on most of these policies in his book: "Plan To Reform Japan." The book refers to other matters, too. What does he mean by "ordinary nation?" How will he realize the three reforms — establishment of political leadership, decentralization, and deregulation? We hope that he will explain all these through Diet debates with the ruling parties.

We are certain that such a debate will clarify rivalry in the political arena which is stalemated.

Ozawa declared that his platform for the party election shall be New Frontier Party's pledge in the next general election. But Hata accused Ozawa of "smugness." As regards the plan to raise the consumption tax to 10 percent, Hata insisted on the need to form a party consensus after discussions. He said: "The plan has yet to be digested by the party members."

What Ozawa needs is to establish democracy within the party by shedding his habit of acting arbitrarily on his own authority. Consensus should be obtained through persuasion.

To Ozawa, who aims to "form another party capable of taking the power," his relationship with Soka Gakkai will continue to be a target of suspicion. There still remain factors that may develop into a cause of party dissolution. Ozawa's capability not as a behind-the-scene strategist is yet to be tested.

North Korea

Commentary on Kim Yong-sam's New Year Message

SK0301040596 *Pyongyang KCNA in English*
0352 GMT 3 Jan 96

["NODONG SINMUN on Kim Yong-sam's 'New Year Message'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 3 (KCNA) — NODONG SINMUN today comments on the "new year message" delivered by the traitor Kim Yong-sam on January 1.

The analyst says:

In the "new year message" he said he would "promote globalization," "clear history of wrongdoings" and "establish an upright and able government" this year. His remarks, however, mean he will continue and further intensify his treacherous rule.

As for the "promotion of globalization," what the puppet Kim Yong-sam has done under the pretext of "globalization" is that he has fully left South Korea to the tender mercy of outside forces in the political, economic, cultural and military aspects.

His talk about "clearing history of wrongdoings" is nonsense. In the hope of diverting home and foreign public protest elsewhere from him, an accomplice in the slush fund scandal, he brought forward it suddenly late last year.

If the history is to be cleared of wrongdoings in South Korea as hoped by the people, it is imperative to totally remove the military dictatorial forces of the fifth and sixth republics" and abolish all the institutional mechanisms hampering the independent and democratic development of South Korean society and the reunification of the country. Though the May 18 special law was enacted, however, the traitor Kim has said "it is impossible to break with the military forces of the fifth and sixth republics." It is clear to everyone that he only intends to further tighten the tieup with them, not interested in liquidating wrongdoings of history. His call for "clearing history of wrongdoings" is, in the final analysis, an insult to history itself.

His promise to "establish an upright and able government" is aimed at improving his image tarred by his involvement in the slush fund scandal.

He is trying hard to prop up his corrupt, poor regime in its waning days with deception, but to no effect.

CPRF on ROK Arrest of Pomminnyon Members

SK3012052995 *Pyongyang KCNA in English*
0417 GMT 30 Dec 95

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — The Committee for the Peaceful Reunification of the Fatherland [CPRF] on Friday published a statement denouncing the Kim Yong-sam group for its suppression of pro-reunification patriotic forces in South Korea, which has recently gotten all the more undisguised.

In late November and early December the South Korean fascist hooligans arrested, detained and put all sorts of persecution to the 30 leading members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon), including its Chairman Kang Hui-nam. And they are now trying to sentence them to heavy penalties with the groundless argument that they are related to a "spy".

The statement says:

The South Korean fascists are scheming to persecute them on the charge of "spy" by connecting them with the North in a far-fetched manner. This is one more anti-communist fascist violence aimed at putting down the reunification movement which is gaining momentum in South Korea following the inauguration of the South side headquarters of Pomminnyon, and at fueling the confrontation between the North and South.

The statement bitterly condemns the moves of the Kim Yong-sam group, saying that they are an unpardonable crime aimed at stifling the ever-growing pro-reunification patriotic forces in South Korea and deteriorating inter-Korean relations on purpose.

The statement further says:

The recent scheming of the traitor Kim Yong-sam to inflict heavy penalties upon members of the Pomminnyon South side headquarters adds a high treason going against dialogue and reunification to the crime committed by him in totally blocking the inter-Korean dialogue and bringing inter-Korean relations to the worst phase of confrontation.

The Kim Yong-sam group are trying to label the members of the Pomminnyon South side headquarters as "spies" in order to strangle the reunification movement of the fellow countrymen and divert elsewhere the attention of the people directed at them, but they cannot bridge over the crisis facing the fascist "civilian government" that is shaken to its foundation.

The traitorous puppet must clearly see that the more wild they run to launch into a smear campaign, put down

the South Korean people in a struggle for independence, democracy and reunification and aggravate inter-Korean relations, the earlier his destruction comes.

The Kim Yong-sam group must look squarely at the desire of the entire nation and the trend of the time, stop the foolish act to find a way out in hatching a plot and immediately release the pro-reunification patriots of South Korea, including the members of the Pomminnyon South side headquarters whom they arrested and have thrown behind bars on the charge of violating the "National Security Law".

Literature on Kim Chong-il 'Scattered' in Seoul

SK3112064895 Pyongyang KCNA in English
0641 GMT 31 Dec 95

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — Seoul-based radio Voice of National Salvation quoted the information of the Seoul city committee of the National Democratic Front of South Korea as saying that copies of literature praising the great leader Comrade Kim Chong-il and calling for a struggle for achieving national reunification under his guidance were scattered around the entrance into Namdaemun market in Seoul on the early morning of November 27.

Printed in the literature issued in the name of the Anti-imperialism Youth Union were letters as follows:

General Kim Chong-il, who is carrying forward the chuche cause of President Kim Il-song, is an outstanding leader of our nation with wisdom, benevolence and valor and a sagacious leader of the 21st century recognised by the whole world.

Let all of us follow the sun of the nation!

Let us remain loyal to general Kim Chong-il, the sun of humankind, for all ages!

Let us drive out foreign forces and achieve independent reunification under the guidance of General Kim Chong-il!

Long live General Kim Chong-il!

Long live national reunification!

Anti-imperialism Youth Union.

Reception Held on Anniversary of Cuban Revolution

SK3012054095 Pyongyang KCNA in English
0421 GMT 30 Dec 95

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — Cuban Ambassador to Korea Jose Ramon Rodriguez Varona gave a party on the occasion of the

37th anniversary of the victory of revolution in Cuba on December 29.

The ambassador expressed thanks to the DPRK people for all feelings of friendship and solidarity manifested to the Cuban people over last year.

Noting that the friendly and cooperative relations between the two parties, governments and peoples have strengthened on the basis of the intimacy between Supreme Commander Fidel Castro Ruz and the great Comrade Kim Il-song and will further develop thanks to Comrade Kim Chong-il, the great leader of the Korean people, he said that the friendship will be immortal with the lapse of time.

The Cuban people will make all efforts they can to develop the friendly and cooperative relations, he stressed.

Foreign Minister Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, in his speech warmly congratulated the fraternal Cuban people on the auspicious 37th anniversary of the victory of the revolution in Cuba. He said that the centuries-old desire of the Cuban people for true freedom and independence was realized as a result of the victory of revolution.

He said:

Today the Cuban people are daringly overcoming the difficulties in the "special period of peace time" under the correct leadership of respected Comrade Fidel Castro Ruz, supreme leader of the Cuban Revolution.

We highly estimate the stubborn revolutionary spirit of the Cuban people and sincerely wish the Cuban people greater success in their work for achieving the independent development of the country.

Flowers Sent to Cuban Embassy in Pyongyang

SK3012041895 Pyongyang KCNA in English
0344 GMT 30 Dec 95

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — Floral baskets were sent to the Cuban Embassy here on Friday by a commission and Ministry of the Administration Council and a national institution on the occasion of the 37th anniversary of the victory of the Cuban revolution.

The floral baskets were respectively handed to Cuban Ambassador Jose Ramon Rodriguez Varona in the name of the Foreign Ministry, the State External Economic Affairs Commission and the Committee for Cultural Relations With Foreign Countries.

Papers Observe Anniversary of Cuban Revolution

SK0101061596 Pyongyang KCNA in English

0609 GMT 1 Jan 96

["Papers Observe 37th Anniversary of Victory of Cuban Revolution" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 1 (KCNA) — The Korean people extend warmest congratulations and militant greetings to the fraternal Cuban people upon the anniversary of the victory of revolution, says dailies here today.

Under the title "37 Years of Struggle and Creation" NODONG SINMUN in an article notes the victory of the Cuban revolution was a great historic event in the political life of the Cuban people.

The paper goes on:

Cuba has become a symbol of freedom and independence, a banner of socialism in Latin America.

After the victory of revolution the courageous Cuban people have traversed the road of struggle and creation amid the ceaseless confrontation with the imperialist reactionaries. Under the correct leadership of the Communist Party of Cuba they have dynamically advanced along the road of socialism chosen by themselves, smashing all the moves of the enemy.

Today the Cuban people are pushing ahead with economic construction and surmounting the difficulties in their way by mobilizing their own efforts, technology and natural resources under the banner of self-reliance, to meet the demand of the "special period of peace time".

The nation's defense capability has been further strengthened. Through the "Moncada-95" and other military exercises last year the revolutionary armed forces and people of Cuba have further completed the preparations to repulse any armed invasion of the enemy.

The Cuban people's just cause is enjoying support and encouragement of the world progressives. The Korean people highly appreciate the achievements made by the fraternal Cuban people in socialist construction.

The friendly and cooperative relations between the Korean and Cuban peoples have been consolidated and developed constantly in the common struggle to defend socialism against imperialism.

MINJU CHOSON in an article says: The Korean people express the belief that the friendly and cooperative relations between Korea and Cuba will further consolidate and develop in the future, and wish the Cuban people

fresh success in the struggle for the nation's independent development and prosperity.

Government Economic Delegation Leaves for Jordan

SK0301040196 Pyongyang KCNA in English

0347 GMT 3 Jan 96

[FBIS Transcribed Text] Pyongyang, January 3 (KCNA) — A government economic delegation of the Democratic People's Republic of Korea headed by Yi Song-tae, chairman of the State External Economic Affairs Commission, left Pyongyang on Tuesday to attend the 8th Asian regional ministerial conference of group of 77 in Jordan.

Seeing off the delegation at the airport were Kim Chong-u, vice-chairman of the State External Economic Affairs Commission, and other officials concerned.

Paper Commemorates Palestinian Revolution

SK3112080795 Pyongyang KCNA in English

0721 GMT 31 Dec 95

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — MINJU CHOSON today observes the day of the start of the Palestinian revolution. The paper says that the start of the Palestinian revolution was an expression of the ardent aspiration and desire of the people for defending the national dignity and sovereignty against the aggression and interference from outside forces and restoring the lost territory.

Since the start of the revolution the Palestinian people have bravely fought against imperialist occupationists under the leadership of the Palestine Liberation Organization, a signed article of the paper says, and goes on:

The Palestinian people and resistance fighters have waged various forms of struggle and made a big advance, overcoming the manifold difficulties and trials.

The Palestinian flag was hoisted in the sky above Jenin, Tulkarm, Nablus and Kalkilya cities [city names as received] as a result of the struggle of the Palestinian people to expand the autonomous territory into the West Bank.

The struggle of the Palestinian people to establish the Arab state with Kudus [city name as received] as its capital and completely achieve the national sovereignty is yet difficult.

The Palestinian people are full of the confidence and determination to continue the struggle under the difficult circumstances.

The Palestinian problem which is cardinal in the Middle East problem has not yet been solved owing to the outside forces' policy of intervention.

The Palestinian problem should be solved at an early date in conformity with the demand of her people and the common interests of all the Arab peoples.

The just cause of the Palestinian people who are fighting against aggression and interference from outside forces and for defending the dignity of the Arab nations will certainly emerge victorious.

The Korean people will actively support the sacred struggle of the Palestinian people for the liberation of the country in the future, too.

Special Envoy of Nigerian Leader Leaves 27 Dec

*SK2812035695 Pyongyang KCNA in English
0251 GMT 28 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA) — Alhaji Muhamad A. Gambo [as received], minister of agriculture and natural resources of Nigeria, and his party left here for home on December 27 after paying a 2-day visit to Korea in the capacity of a special envoy of the head of state of Nigeria.

While staying in Korea, the guests paid homage to the great leader President Kim Il-song at Kumsusan Memorial Palace where he is preserved in state.

The special envoy had a meeting with Vice-president Yi Chong-ok.

On the occasion the special envoy said that His Excellency President Kim Il-song, the great leader of the Korean people, was a lodestar for the peoples of developing countries, who are fighting for independence.

His death is a big loss not only for the Korean people but also for the peoples of developing countries, the special envoy said, adding that he will be alive forever in the hearts of the world people.

Kim Chong-il Election Anniversary Marked Abroad

Bulgaria, Mongolia, Yugoslavia

*SK3112064495 Pyongyang KCNA in English
0638 GMT 31 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — Ceremonies were held in many countries to commemorate the fourth anniversary of the election of the great leader Comrade Kim Chong-il as supreme commander of the Korean People's Army [KPA].

Meetings were held on December 22 by the Bulgaria-Korea Friendship Association and unit 0151 of the Mongolian border Army.

At the meetings reporters and speakers were unanimous in saying that Comrade Kim Chong-il has systematised in an all-round way and formulated from a new angle the military doctrine of the great leader of the Korean people Comrade Kim Il-song through his energetic ideological and theoretical activities, and given wise guidance to the work for political, ideological, military and technical preparations of the KPA.

As it has its supreme commander in the person of Comrade Kim Chong-il, who is possessed of courage, grit and firm will befitting a general, they noted, the KPA has gained fame as invincible revolutionary Armed Forces.

Celebrating meetings were held by the New Yugoslav Communist Movement, the Bangladesh People's League, the Phaktapur, Nepal, Society for Korean Studies and the rally of the Leftist Political Parties in Zaire.

Film shows, lecture meetings, photo exhibitions and other ceremonies were held on the occasion at the art gallery in Kyustendil city, Bulgaria and by the Moscow-Kumgang corporation in Russia, the group for the study of the chuche idea of Comrade Kim Il-song in western Lapentense, Guyana, the Anz Grove, Guyana, group for the study of the chuche idea of Comrade Kim Il-song and the Youth Independent Revolutionary Front of Mali.

Pakistan, Mexico

*SK2812035495 Pyongyang KCNA in English
0248 GMT 28 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA) — Ceremonies to hang portraits of the great leader Comrade Kim Chong-il were held on December 20 by the Pakistan-Korea Youth Friendship Association and the Union of Friends To Cherish the Memory of President Kim Il-song of Mexico on the 4th anniversary of his election as supreme commander of the Korean People's Army.

Speakers at the ceremonies said that His Excellency Kim Chong-il is an outstanding thinker and theoretician, the great leader of revolution and construction and supreme commander who has distinguished wisdom and commanding art and that he enjoys absolute authority not only from the Korean people but also from the world people.

They stated that they would reverently hang the portraits of Comrade Kim Chong-il and actively study and

propagandize the chuche idea which he has developed and enriched in an all-round way.

Kim Chong-il Sends Gifts to Chongnyon Officials

SK2912035095 *Pyongyang KCNA in English*
0315 GMT 29 Dec 95

[FBIS Transcribed Text] Tokyo, December 27 [date as received] (KNS-KCNA) — The great leader Marshal Kim Chong-il sent gifts to officials and patriotic traders and industrialists of the General Association of Korean residents in Japan (Chongnyon) on the new year.

A meeting for conveying the gifts was held at the Korean Hall in Tokyo on Dec. 27.

Han Tok-su, chairman of the Central Standing Committee of Chongnyon, read the list of gifts.

An address was made by chief vice-chairman Ho Chong-man.

Ho Chong-man said that the new year gifts are an expression of the deep trust and love which can be shown only by General Kim Chong-il, who is the same as the fatherly leader President Kim Il-sung in ideology, leadership, personality and virtues. Ho Chong-man expressed the warmest thanks to General Kim Chong-il.

He stressed that all the compatriots should hold President Kim Il-sung in high esteem forever and decisively strengthen and develop Chongnyon into a single-hearted unit, true to the idea and leadership of the respected general in the new year so that they live up to his deep political trust and paternal love with loyalty and filial piety.

Sends Message to Central Committee

SK0101055296 *Pyongyang KCNA in English*
0543 GMT 1 Jan 96

[FBIS Transcribed Text] Pyongyang, January 1 (KCNA) — The great leader Comrade Kim Chong-il sent a message of greetings on Monday to Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on the occasion of the new year 1996.

Last year, Chongnyon officials and Korean residents in Japan further strengthened Chongnyon into an overseas compatriots' organization of chuche intensely loyal to its leader, nation and homeland, with the 40th anniversary of its formation and its 17th Congress as occasions, and thus laid a reliable foundation for developing its patriotic cause through generations to come, the message noted, and said:

"Chongnyon waged unremitting mass movements of different forms to defend the socialist homeland and the rights and interests of the Korean residents in Japan and strengthen the national unity and thus made a positive contribution to adding lustre to the honor of the homeland and the nation and developing the national reunification movement."

"I highly appreciate, with delight, the great achievements the Chongnyon officials and compatriots in Japan made in the sacred patriotic work last year, braving out the difficulties and trials," it said.

In the new year Chongnyon should defend and add lustre to the immortal feats the great leader Comrade Kim Il-sung performed in leading the movement of Korean residents in Japan and dynamically advance the movement along the road of chuche indicated by him, it said.

Chongnyon, it noted, should more firmly establish the ideological and leadership systems of chuche in its organizations at all levels and strengthen and develop itself into a powerful, mass overseas Koreans organization taking its deep root in compatriots from all walks of life in Japan in the new year.

It should also powerfully conduct the mass movement for achieving the national unity of the entire Korean residents in Japan, true to the "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country", and encourage all the officials and compatriots to wage a vigorous struggle for making their country, their homeland more prosperous in one mind of patriotism, the message said.

Kim Chong-il Sends Flowers to Cuban Embassy

SK2912084795 *Pyongyang KCNA in English*
0835 GMT 29 Dec 95

[FBIS Transcribed Text] Pyongyang, December 29 (KCNA) — The great leader Comrade Kim Chong-il today sent a floral basket to the Cuban Embassy in Pyongyang on the occasion of the 37th anniversary of the victory of revolution in Cuba.

The floral basket sent by Comrade Kim Chong-il was handed to Cuban Ambassador to Korea Jose Ramon Rodriguez Varona.

Written on the ribbons of the floral basket were letters "Warm congratulations on the 37th anniversary of the victory of revolution in Cuba!"

Sends Greetings to Castro

*SK0101054396 Pyongyang KCNA in English
0537 GMT 1 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 1 (KCNA) — The great leader Comrade Kim Chong-il sent a message of greetings to Comrade Fidel Castro Ruz, first secretary of the C.C. [Central Committee], Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the occasion of the 37th anniversary of the victory of the Cuban revolution.

Comrade Kim Chong-il said in the message that the Cuban people, closely rallied around the Communist Party of Cuba headed by Comrade Fidel Castro Ruz, continue their vigorous march towards the road chosen by themselves, smashing all manner of challenges and blockade by the imperialists.

The Korean people are extending firm solidarity to the Cuban people's in their cause of defending the motherland, revolution and the gains of socialism, he said, expressing the conviction that the traditional relations of friendship and cooperation between the two peoples will continue to consolidate and develop.

Kim Chong-il Greets Tricontinental Organisation

*SK0201050996 Pyongyang KCNA in English
0410 GMT 2 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 2 (KCNA) — The great leader Comrade Kim Chong-il sent a telegram of greetings today to the organisation of solidarity of the peoples of Asia, Africa and Latin America on its 30th anniversary.

Over the last three decades since its foundation, the organisation has greatly contributed to the struggle of the peoples on the three continents against imperialism, colonialism, neo-colonialism and racism and for national independence, economic liberation, peace, democracy and social progress and has expressed positive support and solidarity for the Korean people's cause of justice, Comrade Kim Chong-il noted, and highly appreciated the organisation's activities.

He expressed his firm belief that the organisation will as ever strengthen solidarity with the progressives of the world including the Asian, African and Latin American peoples in the struggle to oppose imperialist domination, subjugation, aggression and interference, establish a new international political and economic order based on equality and independence and build a new world, free, peaceful and friendly.

Kim Chong-il Sends Thanks to KPA Servicemen

*SK3012042195 Pyongyang KCNA in English
0347 GMT 30 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to soldiers of the Korean People's Army [KPA] and their families including officers of the Commanding and Political Department of Pak Sang-ho Unit of the Korean People's Army and the art propaganda team of the unit, officers of the Commanding Department of Kim In-sik Unit of the Korean People's Security Forces and soldiers of the unit for giving full play to the communist traits.

Comrade Kim Chong-il also sent thanks to scientists, technicians and employees of the Taedonggang lock gate management bureau and the West Sea barrage company of the Ministry of Marine Transport, the Nampo ship building factory, the Hydraulic Engineering Institute of the National Academy of Sciences and the hydro-meteorological service for putting water conservation in the River Taedong on a scientific basis and building a power station in the West Sea barrage.

Kim Chong-il Receives Gifts, Messages, Letters**From Cuba's Fidel Castro**

*SK2712044295 Pyongyang KCNA in English
0317 GMT 27 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Comrade Fidel Castro, first secretary of the C.C. [Central Committee], the Communist Party of Cuba, president of the Council of State and president of the council of ministers of the Republic of Cuba, on the occasion of the New Year.

The gift was handed to the Korean ambassador to Cuba on December 21 by an official of the protocol bureau of the Cuban Foreign Ministry.

The official asked the ambassador to convey Fidel Castro's wishes for a long life in good health and a greater success in work to the great leader Comrade Kim Chong-il.

From Cuba's Raul Castro

*SK2712112895 Pyongyang KCNA in English
0735 GMT 27 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Comrade Raul Castro, second secretary of the C.C., [Central Committee] Communist Party of Cuba, first vice-president of the Council of State

and minister of the Revolutionary Armed Forces of the Republic of Cuba, on the occasion of the New Year.

The gift was handed to the Korean ambassador to Cuba on December 21 by an official of the External Affairs Department of the Cuban Ministry of the Revolutionary Armed Forces.

From Diplomatic Corps

SK2712044395 *Pyongyang KCNA in English*
0318 GMT 27 Dec 95

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the diplomatic corps in Korea on the occasion of the New Year.

Nigerian Ambassador Olugbenga Ayodeji Ashiru, doyen of the corps, conveyed the basket and letter to vice-premier and Minister of Foreign Affairs Kim Yong-nam on Tuesday.

From Nigerian Leader

SK2712112495 *Pyongyang KCNA in English*
0726 GMT 27 Dec 95

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The great leader Comrade Kim Chong-il received a personal letter and gift from Sani Abacha, head of state and commander-in-chief of the Armed Forces of the Federal Republic of Nigeria.

They were handed to Vice-President Yi Chong-ok on December 27 by Alhaji Muhamad A. Gambo, [name as received] minister of agriculture and natural resources, who is staying in Korea as a special envoy of the head of state of Nigeria.

Flowers From Yasir 'Arafat

SK2912035995 *Pyongyang KCNA in English*
0319 GMT 29 Dec 95

[FBIS Transcribed Text] Pyongyang, December 29 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket from Yasir 'Arafat, president of the state of Palestine, on the new year 1996.

It was handed to an official concerned by Ibrahim Abu Mualek, [as received] charge d'affaires ad interim of the Palestinian Embassy in Pyongyang, on December 28.

The charge d'affaires ad interim said that the floral basket to the great leader Comrade Kim Chong-il from His Excellency President Yasir 'Arafat with best wishes for his longevity on the new year is an expression of reverence for him and the developing friendly relations between the two countries.

Noting that the friendly relations between the two countries are consolidating on the basis of the intimacy between the great leader Comrade Kim Il-song and His Excellency President Yasir 'Arafat, he wished Comrade Kim Chong-il good health and a long life.

Gift From Iranian President

SK2912035395 *Pyongyang KCNA in English*
0316 GMT 29 Dec 95

[FBIS Transcribed Text] Pyongyang, December 29 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Akbar Hashemi-Rafsanjani, president of Iran, on the new year 1996.

It was handed to an official concerned by Iranian Ambassador to Korea Seyyed Morteza Mirheydari on December 28.

From Foreign Military Attache Corps

SK3012111695 *Pyongyang KCNA in English*
0927 GMT 30 Dec 95

["Floral Baskets and Congratulatory Letters to Comrade Kim Chong-il From Foreigners in Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the military attaches' corps in Korea on the new year 1996.

They were conveyed to minister of the people's Armed Forces Choe Kwang on Saturday by Vietnamese Military Attache Tran Thuc, who is doyen of the corps.

Comrade Kim Chong-il also received a floral basket and a congratulatory letter from the economic and commercial councillors' corps in Korea on the same occasion.

They were conveyed to an official concerned on Saturday by the Russian trade representative, Evgeny Bilim, [name as received] who is doyen of the corps.

Floral Basket From Qadhdhafi

SK3012053695 *Pyongyang KCNA in English*
0353 GMT 30 Dec 95

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket from Mu'ammarr al-Qadhdhafi, leader of the Great September First Revolution of the Great Socialist People's Libyan Arab Jamahiriya, on the new year 1996.

It was handed to an official concerned by Ramadan Muhammad al- Ra'ubi, acting secretary of the People's Committee of the People's Bureau of the Great Socialist People's Libyan Arab Jamahiriya in Pyongyang, on December 29.

From Foreign Diplomatic Envoys

*SK3112084795 Pyongyang KCNA in English
0818 GMT 31 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — The great leader Comrade Kim Chong-il received floral baskets, gifts and congratulatory letters from foreign diplomatic envoys here on the new year 1996.

They were handed to officials concerned by diplomatic envoys of Iran, India, Indonesia, Ethiopia, Bulgaria, Palestine, China, Cambodia, Pakistan, Mongolia, Algeria, Vietnam, Nigeria, Libya, Russia, Romania, Poland, Sweden, Cuba, Yugoslavia, Syria, Yemen and Hungary.

Comrade Kim Chong-il also received gifts and congratulatory letters from the interim acting head of the German interests section, the representative of the UNDP and the military attaches of the Egyptian, Iranian and Peruvian embassies.

New Year Message From Chongnyon

*SK0101055896 Pyongyang KCNA in English
0549 GMT 1 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 1 (KCNA) — The great leader Marshal Kim Chong-il received a congratulatory message from Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on the new year 1996.

The message dated January 1 says:

Last year respected General Kim Chong-il powerfully aroused the whole party, country and all the people to the grand general march for prosperity and development of their country, their fatherland, true to the behests of the fatherly leader Generalissimo Kim Il- song, decisively repulsing the frantic moves of the international reactionaries intended to stifle the DPRK, and brilliantly adorned the celebrations of the 50th birthday of the Workers' Party of Korea [WPK] as a grand political festival in which the might of Korean- style socialism centred on the masses was displayed to the world.

Last year you, respected general, sent the highly important new year message and the letter "On Developing the Movement of Koreans in Japan Onto a New Higher Stage" on the occasion of the 40th anniversary of Chongnyon, in which the basic orientation and major

tasks Chongnyon and Koreans in Japan should follow and carry out and ways for their materialization are expounded in a comprehensive way.

Referring to the benevolent love and solicitude shown by the respected general for Chongnyon and Koreans in Japan last year, the message says: You called Chongnyon officials and compatriots in Japan to the events held on the first anniversary of the death of the fatherly leader Generalissimo Kim Il- song and on the 50th birthday of the WPK. And you sent a message of consolation and comfort money of love to the Korean sufferers from the Hansin-Awazi great earthquake, and educational aid fund and stipends for the children of Koreans in Japan on installments.

It says:

In the new year we will more firmly build Chongnyon into an overseas Koreans organization of chuche loyal and dutiful to you general and firmly defend and expand the national rights of compatriots.

We will make a more honorable contribution to the work for achieving the reunification of the country by means of confederacy and the prosperity of the socialist homeland, as intended by the great leader Generalissimo Kim Il- song in his lifetime, and further strengthen friendship and solidarity with the broad segments of the Japanese people and the world progressive people.

The message sincerely wishes Marshal Kim Chong-il a long life in good health.

New Year Message From NDFSK

*SK0101060496 Pyongyang KCNA in English
0556 GMT 1 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 1 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory message from the Central Committee of the National Democratic Front of South Korea (NDFSK) on the new year 1996.

The congratulatory message dated January 1 says that 1995 was a year worthy of special mention when the greatness of the Respected Leader Kim Chong-il was powerfully demonstrated to the whole world.

Last year Kumsusan Memorial Palace, the supreme holy land of chuche in the world, at which the fatherly leader President Kim Il- song is preserved in state, was opened to public, it says, and notes that it was a great conspicuous feat performed by respected Comrade Kim Chong-il who gratified the ardent wish of the fellow countrymen and humankind and left an immortal mark in the annals of the nation.

It goes on:

Last year Comrade Kim Chong-il set a bright milestone for the honorable struggle to accomplish the cause of *chuche*, indicated the road ahead of the times and humankind with your rare ideological and theoretical wisdom and dynamically led and encouraged the global movement for rebuilding socialism and revolutionary movement along the road of independence, with your power of absolute prestige.

"Comrade Kim Chong-il is the most outstanding leader of the present time, who has set a worldwide example in political activities of a successor, great man, defending and accomplishing the cause of his predecessor, great man, and is a great master of *chuche* politics, who has made great contributions to the development of the times, adorning the national and world history with a mysterious legend of good out of evil."

The NDFSK and people from all walks of life in the South unremittingly waged the movement for the nation and democracy under the banner of *chuche* last year when the United States and its stooges drove the North-South relations to the worst phase of blockade and created a grim situation, the message notes, and goes on:

Through last year's arduous struggle, we have more keenly felt the truth that the historical victory of the cause of independence, democracy and reunification can be won without fail only when we invariably carry forward the lifeline of revolution on the basis of the greatness of the respected general and advance along the road shown by the *chuche* idea.

In the new year we will firmly build the independent driving force of the movement for the nation and democracy by concentrating our efforts on the work of modelling the ranks of the NDFSK and the revolution movement on the *chuche* idea and awakening and organizing the people, with the greatness of the respected general and under the brilliant rays of *chuche*.

The message wholeheartedly wishes Comrade Kim Chong-il a long life in good health.

Cards From Party, State Leaders

SK0201051396 *Pyongyang KCNA in English*
0331 GMT 2 Jan 96

[FBIS Transcribed Text] Pyongyang, January 2 (KCNA) — The great leader Comrade Kim Chong-il exchanged New Year's cards with foreign party and state leaders.

Among them were general secretary of the C.C. [Central Committee], the Communist Party of China and President of the People's Republic of China Jiang Zemin, Premier of the State Council of the PRC Li Peng, member of the Standing Committee of the Political Bureau of

the C.C., the CPC and Chairman of the Standing Committee of the National People's Congress of the PRC Qiao Shi, member of the Standing Committee of the Political Bureau of the C.C., the CPC and chairman of the National Committee of the Chinese People's Political Consultative Conference Li Ruihuan, member of the Standing Committee of the Political Bureau and member of the secretariat of the C.C., the CPC Hu Jintao, first secretary of the C.C., the Communist Party of Cuba, President of the Council of State and President of the Council of Ministers of Cuba Fidel Castro Ruz, Russian President B. N. Yeltsin, Laotian President Nhouhak Phoumsavan, Vietnamese President Le Duc Anh, General Secretary of the C.C., the Communist Party of Vietnam Do Muoi, Pakistani Prime Minister Benazir Bhutto, Lebanese President Ilyas al-Hirawi, Equatorial Guinean President and head of state and founder-chairman of the Democratic Party of Equatorial Guinea Obiang Nguema Mbasogo, Tanzanian President Benjamin W. Mkapa, Angolan President Jose Eduardo dos Santos, Ugandan President Yoweri Kaguta Museveni, Danish Queen Margrethe II and Crown Prince Frederik, Romanian President Ion Iliescu, and Nicaraguan President Violeta Barrios de Chamorro.

More Greetings From Abroad

SK0301043196 *Pyongyang KCNA in English*
0357 GMT 3 Jan 96

[All party officials' names are as received]

[FBIS Transcribed Text] Pyongyang, January 3 (KCNA) — The great leader Comrade Kim Chong-il received a message of greetings from 'Umar Hasan Ahmand al-Bashir, President of the Republic of the Sudan, on the new year 1996.

He also received messages of greetings on the new year from Florian Petrescu, chairman of the national committee of the Socialist (communist) Party of Romania; Victor Voichita, chairman of the Romanian Party for New Society; V.V. Zhirinovsky, chairman of the Liberal Democratic Party of Russia; Guzman Rivera Castaneda, general secretary of the revolutionary socialist party of Peru; and Baltasar Ignacio Balades Montoya, chairman of the National Committee of the Mexican Democratic Party.

The messages extended warm congratulations to Comrade Kim Chong-il on the new year.

They wished the Workers' Party and people of Korea greater advance and success in socialist construction and in the struggle to defend the sovereignty of their country in the new year, too, under the wise leadership of Comrade Kim Chong-il.

Kim Chong-il Sends Birthday Table to 'Heroine'

*SK3112075395 Pyongyang KCNA in English
0717 GMT 31 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — The great leader Comrade Kim Chong-il sent a 70th birthday table to Yun Kyong-yol, merited driver at the Pyongyang Lorry Company No. 2.

The benevolent birthday table was handed to her on December 30.

She was born into a poor family in Usi County, Chagang Province, and worked a hard labour at a mine from her early years in the period of the Japanese imperialist colonial rule. After the liberation of the country, she has enjoyed a happy life.

She joined the army to ensure war-time transport during the Fatherland Liberation War (1950-1953) and has since driven a truck, overfulfilling her yearly plan every year. She is a deputy to the Supreme People's Assembly and a labour heroine.

Symposium on Kim Il-song's 'Feats' Held in Yanji

*SK2912034795 Pyongyang KCNA in English
0333 GMT 29 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 29 (KCNA) — A symposium on "anti-Japanese struggle in northeast China and Comrade Kim Il-song's revolutionary activities" was held in Yanji in northeast China on December 12, under the sponsorship of the Yanbian Overseas Affairs Institute and the Editorial Committee of the Library "Tumangang," according to China's Yanbian daily.

At the symposium Kwon-nip, director of the History Institute of the Yanbian Academy of Social Sciences, and four other scholars read their papers after the brief history of the great leader President Kim Il-song's revolutionary activities during his days at the Yuwen Middle School in Jilin was introduced.

The speakers noted that President Kim Il-song in his early years propagated Marxism-Leninism, built the revolutionary base by mobilizing the masses and launched an armed struggle against the Japanese imperialists in northeast China.

They said that the president set an example of internationalism by giving positive help to the Chinese revolution while paving the path of the rigorous Korean revolution, and performed great feats and created a precious spiritual wealth in the anti-Japanese struggle. This plays an important role in further strengthening the militant friendship between the peoples of Korea and China,

pushing ahead with socialist construction and educating the younger generations, they stressed.

Nigerian Delegation Visits Kim Il-song Statue

*SK2712050495 Pyongyang KCNA in English
0310 GMT 27 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The minister of agriculture and natural resources of Nigeria, Alhaji Muhammad A. Gambo [name as received], who is visiting the Democratic People's Republic of Korea as a special envoy of the head of state, and his party laid a floral basket before the statue of the great leader President Kim Il-song on Mansu Hill Tuesday.

The guests bowed before the statue with reverence for the respected leader President Kim Il-song.

Seen in the ribbon of the floral basket were letters "The Great Leader President Kim Il-song Is Immortal."

Yugoslav Ambassador Visits Kim Il-song Statue

*SK2912035195 Pyongyang KCNA in English
0309 GMT 29 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 29 (KCNA) — Ljubomir Ojukic, Yugoslav ambassador to Korea, visited the statue of the great leader President Kim Il-song on Mansu Hill to pay homage to him.

The ambassador laid a bouquet before the statue of President Kim Il-song and made a bow in humble reverence.

He sincerely wished Comrade Kim Chong-il, the supreme leader of the Korean people, success in his work for the prosperity of the country and the happiness of the people as well as a long life in good health on the new year.

Foreign Economic Diplomats Honor Kim Il-song

*SK3012110995 Pyongyang KCNA in English
0926 GMT 30 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — The economic and commercial councillors corps accredited to Korea led by Evgeny Bilim, [name as received] trade representative of the Russian Federation to Korea, laid a floral basket before the statue of the Great Leader President Kim Il-song on Mansu Hill and paid homage to him today.

Written on the ribbon of the basket were letters "His Excellency the Great Leader Kim Il-song will be immortal".

Military Attaches Corps Visits Kim Il-song Statue

SK0101060896 *Pyongyang KCNA in English*
0557 GMT 1 Jan 96

[FBIS Transcribed Text] Pyongyang, January 1 (KCNA) — The military attaches corps in Korea Sunday [31 December] laid a basket of flowers before the statue of the great leader President Kim Il-song on Mansu Hill on the new year 1996.

The guests made a deep bow before the statue after laying the basket.

Written on the ribbon of the basket were letters "The great leader Comrade Kim Il-song is immortal".

'Working People' Hold Rally in Pyongyang

SK0301111296 *Pyongyang KCNA in English*
1104 GMT 3 Jan 96

["Pyongyangites Vow To Advance Vigorously in New Year" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 3 (KCNA) — All the people and servicemen throughout the country, encouraged by a joint editorial carried by the newspapers of the Workers' Party of Korea [WPK], the Army and the youths on the occasion of the New Year 1996, have begun making strenuous efforts with a great national pride and revolutionary zeal to make this a historic year of fortune in which the spirit of socialist Korea is fully displayed.

Working people in Pyongyang met at the Pyongyang Indoor Stadium today, vowing to advance vigorously in the new year under the red flag, united closely around the great leader Comrade Kim Chong-il.

Seen in the meeting hall were slogans "Let us accomplish the revolutionary cause of chuche, true to the behests of the great leader Comrade Kim Il-song," "Let us always remain loyal to Comrade Kim Chong-il in one mind," "Let us fully display the spirit of socialist Korea, holding the red flag aloft," "Let us thoroughly implement our party's revolutionary economic strategy," and other slogans.

The meeting was attended by Politburo member of the WPK Central Committee and Vice-President Pak Song-chol, Vice-Premier of the Administration Council Hong Song-nam and Chairman of the State Planning Commission Hong Sok-hyong, who are alternate Politburo members of the WPK Central Committee, and secretaries of the WPK Central Committee Kim Ki-nam and So Kwan-hi and other officials.

Kang Hyon-su, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Py-

ongyang Municipal People's Committee, made a report, which was followed by speeches.

The reporter and speakers said that reading the joint editorial, the party members, working people, youths and school boys and girls in the city are recollecting with a great pride the signal events which took place last year determined to continue the revolution under the leadership of respected Comrade Kim Chong-il, true to the behests of the great leader President Kim Il-song.

They called on the whole party, the entire people and all the army to strengthen the politico-ideological, economic and military positions of Korean socialism to be an unconquerable fortress, united closely in one mind around Comrade Kim Chong-il, under the slogan "Let us fully demonstrate the spirit of socialist Korea, holding the red flag aloft."

They also called for devotedly defending the great general Comrade Kim Chong-il, their destiny and top brain, politically and ideologically and continuing the revolution, believing in him only.

They vowed to continue making strenuous efforts to thoroughly implement the party's revolutionary economic strategy, true to the behests of the fatherly leader President Kim Il-song, thus improving the people's living standards and consolidating the nation's independent economic foundations still further.

Noting that strengthening the military position of socialism is an important undertaking for reliably defending Korean socialism, they called for making the whole society replete with the spirit of attaching importance to the military affairs, consolidating the all-people defense system and bring the traditional virtues of army-people unity into full play.

They said that though the tasks facing the Korean people are heavy and vast, they have great ideas, revolutionary spirit and singlehearted unity. They called on all of the people to advance vigorously under the leadership of Comrade Kim Chong-il, with confidence in certain victory and with revolutionary optimism, so as to make this a year in which they will win victory and effect a revolutionary turn in the spirit of the red flag.

A resolution was adopted at the meeting.

Paper Carries Epic Praising Kim Chong-il

SK3112070795 *Pyongyang KCNA in English*
0655 GMT 31 Dec 95

["Epic 'Our New Year's Day Which Will Be Everlasting as We Are Guided by the General' " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — Kim Il-sin, a pupil of the middle course

of Kum Song senior middle school No. 1 wrote an epic on the occasion of the new year 1996, which deals with the loving care and solicitude shown by the great leader President Kim Il-song and the great leader Comrade Kim Chong-il for children.

NODONG SINMUN Saturday carried the lengthy poem titled "Our New Year's Day Which Will Be Everlasting as We Are Guided by the General".

The epic sings of the pledge of children to remain loyal to General Kim Chong-il for good, yearning for respected Generalissimo Kim Il-song, who would see new year performance every year given by children and pose for photographs with them.

It says that an ordinary girl in a local area has grown up to be a young poet and a laureate of the Kim Il-song children honour prize loved by the people because of the great loving care of Generalissimo Kim Il-song, who called children a king of the country and spared nothing for them.

Generalissimo Kim Il-song, it notes, provided the children with a chance for 11-year compulsory education, gave them new school uniforms according to the seasons, built children's palaces, schools and playgrounds everywhere after the liberation of the country as he spent 20 won of money given by his mother to provide the children's corps members in maanshan with clothes during the anti-Japanese revolutionary struggle. The generalissimo is alive in the hearts of the children for ever, it says.

It says that Generalissimo Kim Il-song is precisely respected General Kim Chong-il, who, considerate of the hearts of the children yearning for Generalissimo Kim Il-song, had his portrait set up before the Mangyongdae school children's palace and looks after the lives of the children with utmost care.

Respected General Kim Chong-il is our sun, our most precious socialism, our life and soul, our life and our future, it says, and adds that as we breathe and live as intended by the general, blood of chuche type runs through our blood vessels.

The epic stresses that led by General Kim Chong-il, we will have the same New Year's Day for all ages as we were happy and proud to give performance in the presence of the generalissimo, our father.

Article Dedicated to Kim Chong-il Socialism Work

SK0301104196 *Pyongyang KCNA in English*
0907 GMT 3 Jan 96

["Guidelines Indicating Way of Victory of Socialist Cause in Our Times" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 3 (KCNA) — NODONG SINMUN today dedicates a signed article to the fourth anniversary of the publication of "The Historical Lesson in Building Socialism and the General Line of Our Party", a famous work of the great leader Comrade Kim Chong-il.

The work lucidly analyses the basic reason why socialism suffered setbacks in some countries in the past and clearly proves the truthfulness and validity of the general line of the Workers' Party of Korea for the building of socialism and communism. It also comprehensively expounds the ideological, theoretical and methodological guideline to lead the cause of socialism to a new upswing on the worldwide scale.

The author of the article says that the work is an immortal militant banner which clearly indicated the way for the restoration of the socialist movement by deeply analysing and summing up the historical lesson in the building of socialism and the practical experience of the Korean revolution on the basis of the chuche idea and a great revolutionary encyclopedia which made a distinguished contribution to the development of the socialist idea and theory in the present times.

The author quotes the great leader Comrade Kim Chong-il as saying:

"The cause of socialism is a just cause for realising the independence of the popular masses; it is an inexorable law of historical development that mankind advances toward socialism."

The author further says:

The work comprehensively and newly expounded the principle and method for the building of socialism on the basis of the chuche-based outlook on history and provided a powerful weapon with which one could safeguard and advance the socialist cause under whatever conditions and circumstances. This is an important historical contribution of the work to the development of the socialist idea and cause.

Proceeding from the chuche-based point of view that man is the basic factor in the development of society, respected Comrade Kim Chong-il in the work originally indicated the essence of socialist society and, on this basis, he gave a clear answer as to how to press ahead with socialist construction.

In the work, Comrade Kim Chong-il said that if socialism is to be built in keeping with the requirement of the popular masses for independence and their basic interests, it is imperative to strengthen the working-class party organisationally and ideologically, firmly ensure party's leadership over the revolution and construction, enhance the function and role of the socialist government, safeguard and develop the socialist ownership and resolutely fight against imperialism, and this is a revolutionary principle which must never be compromised under any circumstances.

The work expounds the fundamental principle to be adhered to in the relations between parties of socialist countries. This is a contribution which provided an important guarantee for advancing the socialist cause of our times on a new basis.

Comrade Kim Chong-il in the work said that it is the fundamental principle of the parties of socialist countries in their relations to unite and cooperate with one another on the basis of independence and maintain independence while strengthening international solidarity.

Political Essay Praises Loyalty to Kim Il-song

SK3112081095 *Pyongyang KCNA in English*
0710 GMT 31 Dec 95

["1995 Leaves Great Footmarks in History" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 31 (KCNA) — Though tens of thousands of years will pass, Korea and the Korean people will boundlessly display their dignity and honor as Kim Il-song Korea and as Kim Il-song nation, and history will shine forever as an era of *chuche* as we are guided by respected General Kim Chong-il. This is our proud summing up of 1995.

NODONG SINMUN says this in a political essay today.

The author notes:

The year 1995 is a great year when our party and people opened a new chapter which will shine forever in the annals of the *chuche* revolutionary cause and have performed the immortal feats to be praised long down through generations under the wise guidance of the great leader Comrade Kim Chong-il.

This year is a significant year when the origin of a great new history was opened, in which the immortality of the fatherly leader Comrade Kim Il-song, the great immortality, comes in bloom, the first of its kind in human history.

Profoundly contained in the autograph letter on the new year sent by Comrade Kim Chong-il to all the people at the first dawn of 1995 is the unshakable faith and noble

obligation of the respected general to make the first year since the death of the fatherly leader a historical year of immortality holding him in high esteem forever.

The great footmarks left by the respected general on this land this year tell a noble intention to keep the great August name of the fatherly leader deeper in the minds of our people and a great will to make the history covered by him all his life shine on this land for all ages after his death.

What are we feeling this year, bearing deep in mind each word and phrase of "Giving priority to ideological work is essential for accomplishing socialism", "The Workers' Party of Korea is the party of the Great Leader Comrade Kim Il-song" and "Respecting seniors in the revolution is a noble moral obligation of revolutionaries", the famous works of the great general, which our people and the progressive humankind accepted like their life and soul? This is the unshakable faith and noble moral obligation of the respected general to lead the revolution, advance history and exalt the achievements of the fatherly leader for all ages with his revolutionary idea no matter how the world may change.

As respected Comrade Kim Chong-il is great, the fatherly leader is always with us in actuality with his great idea and his immortal exploits and with his noble cause which we are carrying out everyday. This is the origin of a great new era in which the leader is immortal, brought by the great general for the first time in human history, and a great contribution which will shine long down through generations. 1995, which will shine in history, was a historical year which demonstrated to the whole world once again our immovable faith and will that the whole party, all the people and all the army are successfully carrying forward and accomplishing the *chuche* cause, the revolutionary cause of the Great Leader Comrade Kim Il-song, united in one mind with the philosophy of the red flag, the idea of red flag of the great General Kim Chong-il.

In October this year our people grandly celebrated the 50th anniversary of the foundation of the Workers' Party of Korea as a grand festival of victors in the presence of the respected general and thus, clearly showed the true looks and the indomitable spirit of Korea to the world.

This year our people have recorded days and months with heroic feats and events, united around the general in one mind like a red flag under the red flag of revolution.

We successfully built such grand monumental edifices of the Workers' Party era as the Chongnyu Bridge, Kumnung Tunnel No. 2 and the Pyongyang-Hyangan

Tourist Highway, united in one mind with the song of faith that we will defend the red flag.

1995 was, indeed, a year when the faith and will to make a march in the spirit of Mt. Paektu forever under the red flag, closely rallied around the respected general is more stoutly implanted in the minds of our people like the letters engraved on natural rocks.

Holding Aloft Red Flag of Socialism Stressed

SK0301093196 Pyongyang KCNA in English
0920 GMT 3 Jan 96

["Red Flag, Symbol of Faith and Will of Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 3 (KCNA) — Korea has just begun a great advance in the New Year 1996.

The sacred red flag is fluttering in the van.

"Let us fully demonstrate the spirit of socialist Korea, holding the red flag aloft" — this is the slogan of struggle and advance that the Korean people should put up this year in which falls the 70th anniversary of the formation of the "DIU" (Down-With- Imperialism Union) by the great leader President Kim Il-song (October 17, 1926).

The red flag of revolution is associated with the whole life of President Kim Il-song.

When looking back on the days of the formation of the "DIU", President Kim Il-song said with deep emotion that he and his men defined it as the programme of the "DIU" to build a society of socialism and communism in Korea and pledged, before the red flag of revolution, to devote their lives to the struggle for its materialisation.

The Korean revolution has emerged victorious and made progress under the red banner.

It was the red flag that President Kim Il-song [words indistinct] the anti-Japanese armed ranks to emerge ever-victorious. It was also the red flag of revolution that he put up, leading the Workers' Party of Korea.

President Kim Il-song put up the red flag to the last moments of his revolutionary life and handed it over to us.

He is preserved in state, covered with the red flag that he put up all his life, in the supreme holy land of chuche. The noble red flag put up by the leader is fluttering more powerfully than ever before in Korea.

The red flag of the Korean revolution reflects the rockfirm faith and will of respected General Kim Chong-il that we should in the future, too, advance along

the straight road of revolution, which was traversed by President Kim Il-song. Our red flag, therefore, constitutes the symbol of faith and will of the respected general.

Comrade Kim Chong-il loves the red flag of revolution and values the pledge made under the red flag most.

He said that we should never retreat from the road of revolution, bearing in mind the words of the song "The Red Flag" — we will defend the red flag to the end though cowards abandon it.

"Let Us Hold High the Red Flag" is widely sung in Korea. The loyal song is called "The Red Flag" of the 90s because it represents the faith and will of the Korean people.

The Korean people will effect a fresh innovation in their efforts to make this a year of revolutionary change for a great victory with the idea of red flag, under the leadership of General Kim Chong-il, powerfully singing the song "Let Us Hold High the Red Flag" as the revolutionary forerunners advanced along the road of loyalty, singing "The Red Flag".

Motion Picture Output for 1995 Reviewed

SK3012105795 Pyongyang KCNA in English
0852 GMT 30 Dec 95

[FBIS Transcribed Text] Pyongyang, December 30 (KCNA) — A large number of films of high ideological and artistic value have been released in Korea this year. Among them the multi-part feature film "The Nation and Destiny" is highly estimated to be a masterpiece which is remarkable in the development of the film art in the present time and the history of human culture.

The great leader Comrade Kim Chong-il said:

"The multi-part feature film 'The Nation and Destiny' is a synthesis of particular art which has been created in the Workers' Party era."

The film continues to be produced with the song "My Country Is the Best" as the main theme song. Parts 21-32 saw the light this year.

Parts 19-24 deal with an actual fact. Through the happy life of a naturalized Japanese woman Kiyoshi Izumi, who came to Korea following her husband, they vividly show that Korean society is, indeed, a genuine mother's bosom which gives all the people a true life transcending the nationality.

From Part 25 the film deals with the working class.

Through the life of a smelter's family, the film deeply shows the truth that as scrap iron is turned into molten

iron when it is put into a furnace, one can become loyal subject when he is embraced by the working class whatever tenor of life he traversed.

The film is a masterpiece which broke the world's ground in literature, direction, acting, shooting, art and music and in the width and depth of the content. People's actor Yu Won-chun, merited actors Yi Chi-yong and Ko Sung-yong, a rising famous actress Yu Kyong-ae and other renowned actors and actresses, who have been widely known in movie circle at home and abroad, vividly performed the parts of real characters and thereby, the film makes the audience feel a particular sense of intimacy. The sequels continue to be created.

The feature film "The Checkered Career" Parts 3 and 4 depicting intellectuals of Korea and "Lightning and Thunder" Parts 1 and 2 and "A Litter Platoon Leader" on the military themes are good works which contributed to enriching the treasurehouse of the film art this year.

"The Checkered Career" Parts 3 and 4, each divided into two parts again, show well how Minister of Heavy Industry Song Myong-su and Dr. Choe Kyong-sik of a metal institute, who covered a checkered career, are making special steel conducive to the nation's defense industry in cooperation with Om Chol-min, a young engineer of the Songnam Steel Works.

Also released were the feature films "Two Soldiers", "Filial Piety" and "Train Runs on Schedule," which show the unshakable faith and obligation, loyalty and filial piety of the Korean people, "Kim Ung-so and Kye Wol-hyang", Part 3 of the feature film "Japanese Invasion in 1592" on the theme of a historical fact in the period of the patriotic war in 1592, and the feature film "Oh Youth Life" which shows on a bright and cheerful canvas the ideological and mental trait of the young people at the present time and other films on different themes.

All the films have further enriched the flower garden of the chuche-based film art.

South Korea

European Cars Overtake U.S. in Domestic Market

SK2612034095 Seoul THE KOREA HERALD
in English 26 Dec 95 p 8

[FBIS Transcribed Text] European passenger cars overtook U.S.-made ones in the domestic car sales market this year, even though the United States snatched major concessions to boost the domestic sales of foreign-made cars from the Seoul government at the Korea-U.S. auto talks in September.

Domestic sales of foreign-made cars during the first 11 months of the year totaled 6,346 units, according to the figures released by Kia Economic Research Institute, a think tank of the nation's second largest automaker, Kia Motors Corp.

Of the total, 3,980 units or 62.7 percent were European-made ones, it said.

German automakers, including Mercedes-Benz and BMW, sold 2,233 cars in Korea during the January-November period of 1995, a sharp rise of 165.5 percent over the same period of 1994.

Swedish car manufacturers also saw the domestic sales of Volvo and SAAB surge by 103 percent from a year earlier to 1,262 units during the 11-month period of this year.

As a result, the domestic market share of European-made passenger cars rose steadily from 25.4 percent of the total in 1993 to 50 percent in 1994, and further to 62.7 percent in the first 11 months of 1995, the think tank said.

In the meantime, the comparable portion of the American-made cars dropped from 49.3 percent in 1994 to 37.3 percent in 1995, it said, noting that 2,366 U.S.-made cars were sold on the domestic market this year.

Chrysler of the United States sold the most on the domestic market during the January-November period of 1995 with 1,040 units, followed by Mercedes Benz with 1,005 units, the Ford Motor Company's Sable model with 884 units and Volvo with 757 units.

BMW ranked fifth with 656 units, followed by Volkswagen with 572 units, SAAB with 505 units and General Motors with 414 units.

The sales number during the 11-month period of 1995 stood at 326 for Peugeot, 60 for Isuzu, 88 for Citroen, 42 for Jaguar, 28 for Land-Rover and one for Rolls-Royce.

By country, the United States topped the list for the domestic sales of foreign cars with 2,419 units during the cited period of the year, followed by Germany with 2,233 units, Sweden with 1,262 units, France with 414 units and Britain with 71 units.

More on Planned U.S.-DPRK Hawaii Meeting

SK0301071496 Seoul YONHAP in English
0646 GMT 3 Jan 96

[FBIS Transcribed Text] Washington, Jan. 2 (YONHAP) — North Korea will be briefed by the United States sometime this month on the identification of the

remains of American soldiers killed during the Korean war, the State Department said Tuesday.

The briefing will take place at the U.S. Army Central Identification Laboratory in Hawaii (CLIHI), it added.

Department spokesman Glyn Davies said at a press conference that Washington's intent was to brief the communist nation on techniques used to identify the remains of U.S. servicemen and to show North Korean officials identification facilities. He added that the briefing was not any kind of negotiation.

Having invited Pyongyang to discuss the matter in 1994, Washington will be represented by James Wald, deputy assistant secretary of defense for prisoners of war and missing in action affairs.

On North Korea's dire food shortage, Davies said the United States has already donated close to 250,000 U.S. dollars in food assistance, adding that he is unaware if whether or not any of this went to their military.

PRC Firm, Kia Expand Into DPRK Market

SK2612144595 Seoul YONHAP in English
0536 GMT 26 Dec 95

[FBIS Transcribed Excerpt] Seoul, Dec. 26 (YONHAP) — [passage omitted] Kisan Corp, an engineering and construction subsidiary of the Kia Business Group, is pursuing its expansion into the North Korean market in cooperation with a Chinese company.

The company received approval Dec. 6 from the Chinese authorities for a joint venture dubbed "Qilong Integrated Development Corp." With China's Longxiang Group Co., a Kia official said Tuesday.

The official explained that Longxiang has the exclusive rights for the next three years to arrange package tours that will link the North's Najing-Sonbong Economic Trade Zone with Pyongyang, Mt. Kumkang, Mt. Myohyang and Mt. Paektu tourist areas.

The initial investment for this venture will be two million U.S. dollars. Kisan will put up 60 percent and Longxiang will provide the remaining 40 percent the official noted.

The first phase of the project began last Thursday when Kisan shipped 15 Kia vehicles from the port of Pusan for Longxiang to import and use in the North's trade zone.

PRC, Russia Disbelieve DPRK 'in Danger'

SK0301085096 Seoul YONHAP in English
0844 GMT 3 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 3 (YONHAP) — China and Russia, both former communist allies of

North Korea, do not believe that the reclusive nation, which currently faces severe food shortages, has fallen to the point where the incumbent regime could be endangered, a Foreign Ministry official said Wednesday.

Moscow and Beijing recently informed Seoul that North Korea must have its own system of survival, although it has been suffering from chronic food shortages, the official said.

Explaining their own experiences from their respective communist regimes in the past, the two nations said that Western countries need to understand the unique food distribution system of communist countries.

DPRK Reportedly Suffering Severe Shortages

SK0301075996 Seoul YONHAP in English
0731 GMT 3 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 3 (YONHAP) — "Sir, please bring me a sunflower quilt." This is the type of request Western visitors to North Korea, especially international relief workers, have often received while in the secretive communist country recently.

The sunflower quilt refers to polyester-feather bedding with a flower pattern that international relief organizations deliver to North Korean flood victims. They are called so because all family members lie down around one quilt with their legs converging at its center in one room, thus taking the form of a sunflower.

The visitors have also heard many North Koreans grumble, "Why on earth didn't the flood come upon me? I really envy the flood victims who are receiving relief goods."

These visitors quote North Koreans as saying many people will die from food, clothing, fuel and bedding shortages this winter. The head of a hospital in North Pyongan Province was quoted as saying that at least 1,420 patients had died of malnutrition at his hospital between August and November of last year.

People in Sinuiju on the Amnok (Yalu) River and other flood-stricken areas who have been supplied with blankets, quilts, rice, clothing and kitchen utensils by international relief organizations, have become the envy of people in other areas, who although unaffected by the flood are none the less suffering just as much from food, clothing and bedding shortages as flood-victims.

With food suspended throughout North Korea, except in Pyongyang and the Armed Forces, many children and aged are dying of starvation, according to recent visitors to the Stalinist country.

Children are often sent to the homes of relatives for food, and doctors and nurses have been spending

more time in the mountains and hills gathering acorns than treating their patients. Similarly there were many gleaners, men, women, and children, in harvest fields last fall.

A recent television program showed a North Korean housewife telling international relief workers that she boils bark and grass in water to make meals for her family. In North Korea, the reality is that people eat tree bark and grass roots. Western visitors also hear some North Koreans speaking about children who have discovered "edible earth."

Mothers commit suicide because they cannot feed their babies. Dead people are buried without coffins because wood is worth more as fuel than it is for interment.

Energy shortages have led to a suspension of train operations, as well as buses, trucks and other transport vehicles. Sesame seed-oil lamps have replaced electrical light in many households, especially in provincial cities and towns.

North Koreans usually walk to work. There are no buses on Friday because it is "a labor day." There is no bus on Saturday because it is "a lesson day." There is no bus on Sunday because it is a holiday.

The search for food takes people into the countryside and sometimes even across the border into northeastern China.

People in North Hamkyong Province south of the Tuman River sometimes venture across the river into China for food, believing that they will either die of starvation or be shot after they are caught crossing the river. "Either way I'll die."

About one third of the relief goods unloaded in the east coast port of Chongjin on the east coast find their way onto the black market barter trade across the country en route to their destinations.

Despite all this misery, the North Korean leadership continues to encourage the people to hate South Korea, while blaming natural disasters for their hardships.

And [at] the same time, the North calls on separated families in the South to send relief goods to their loved ones in the North, and invites South Korean businesses to invest in the Najin-Sonbong free economy and trade zone, stressing that the South Korean people's brotherly love is needed to alleviate the present economic hardships of the North Korean people.

Food Rationing 'Suspended Until May' in DPRK

SK0301031496 Seoul YONHAP in English
0242 GMT 3 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 3 (YONHAP) — A serious food shortage in North Korea has left those least able to care for themselves.... [punctuation marks as received] children, the aged and infirm in imminent danger of starvation.

Food rationing has been suspended until May throughout North Korea, except in such special areas as Pyongyang, the capital, and the military.

A public decree in the North announced that "anyone plundering food or livestock shall be executed summarily."

This and other information was revealed Wednesday in exclusive interviews YONHAP news agency conducted with individuals who have visited a variety of locations in the North since last August, including Pyongyang, Sinuiju and Sonchon, and personally witnessed the situation in the secretive communist country.

Due to the devastating flood damages last summer, the North's crops last year fell to 3.4 million tons, far short of the demand of 7 million tons, the North Korea visitors quoted an official of the "Great Flood Measures Committee," which was set up in the wake of the floods, as saying.

Provided that the population there eats one meal a day (400 grams per person), the absolute shortage of food amounts to 1.2 million tons "without which all of us will starve to death," the official was quoted as having said.

Only six out of 37 pupils in a class at a primary school in Tongnim-gun, Sinuiju, attended school one day.

A certain hospital in North Pyongan Province issued 1,420 certificates of death from malnutrition during a four-month period from August to November last year, with victims being mostly children, the elderly, and the weak. The director of the hospital was reprimanded by authorities for having diagnosed the deaths as being caused by malnutrition.

Some young mothers who could not bear to see their kids dying from hunger have committed suicide, the doctor reportedly testified.

The North Korean people's plight has not been caused only by the flood damages, the visitors to North Korea said, but also by an absolute shortage in food, energy and daily necessities due to "man-made disasters." Such disasters, they added, have been caused by the accumulation of policy failures on the part of the

late North Korean President Kim Il-song and his heir apparent son, Chong-il.

Such failures, they said, include preponderance given to the military in the national budget, development of terraced upland fields on hills, deprivation of farmers' will to work and expanded cooperative farming.

The current situation in the North, led by Kim Chong-il who allegedly falls far short of his father in charisma and leadership, is so different from that of previous days that "one felt like visiting a different country," a highly-placed source frequenting the North from the Yanbian area of China said.

The general public has turned deaf ears to such propaganda that flood victims were all saved from danger thanks to the younger Kim's personal directive for prompt action. Instead, they are enraged, asking, "Is it a good government that fails to feed the people?" According to the source.

To patch up Kim Chong-il's misrule as well as placate such public sentiments, the North has emphasized the "irresistability" of natural disasters and has aroused enmity for South Korea by alleging that their plight has been caused by "American imperialists and their lackey, South Korea."

As hungry people frequently plunder food and livestock, North Korean authorities have posted a decree proclaiming that such looters shall be summarily executed, the sources said.

Certain visitors to North Korea, briefed by North Korean authorities on damage wrought by last summer's floods and asked to help provide relief aid, said that they got the impression that the North Koreans were exaggerating the damage there in a bid to gain more outside aid.

Based on official Pyongyang statistics, the visitors claimed that the number of households made homeless in the floods totaled 26,250 across the country. Supposing that a household has five to six members, approximately 150,000 are estimated to have lost their homes, the sources said.

In its appeal to world relief organizations, North Korea had earlier announced a figure of 500,000 as being homeless there.

DPRK Envoy on Kim Chong-il Assuming Leadership

SK0301125496 Seoul KBS-1 Television Network in Korean 1200 GMT 3 Jan 96

[FBIS Translated Text] There has been much speculation on when Kim Chong-il will assume the presidency of North Korea.

According to a news conference held today by Chu Chang-chun, North Korea's ambassador in Beijing, Kim Chong-il will assume the presidency around July, following the second anniversary of Kim Il-song's death. Correspondent Yi Tong-sik reports from Beijing:

[Yi] When a reporter asked North Korean Ambassador Chu Chang-chun when Kim Chong-il would assume the presidency, Chu asked the reporter to carefully watch the North Korean situation following the memorial service on the second anniversary of Kim Il-song's death.

[Begin Chu recording] You will know if you watch the developments following our memorial service on the second anniversary. [end Chu recording]

[Yi] These remarks by Chu Chang-chun are a strong hint that Kim Chong-il will assume the top leadership in July following the memorial service on the second anniversary of Kim Il-song's death.

Chu Chang-chun also stated North Korea has held no leadership election because it is still in mourning for Kim Il-song. He added that an election would be a mere formality since Kim Chong-il has led the party, government, and military for a long time. In this way, he made it clear that there is no successor other than Kim Chong-il.

This is the first time a North Korean leader clarified when Kim Chong-il will assume the leadership. Therefore, it is certain Kim Chong-il will assume the posts of party general secretary and president during the latter half of this year.

Chu Chang-chun requested assistance, saying North Korea is facing many difficulties because last year's flooding devastated crops and houses. However, he did not give details of the damage.

Reaction to DPRK New Year's Joint Editorial

SK0301090096 Seoul YONHAP in English 0656 GMT 3 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 3 (YONHAP) — The South Korean Government, after analyzing the New Year's "editorial" North Korea ran in its

major newspapers, said that inter-Korean tensions would probably continue unabated for the foreseeable future.

North Korean newspapers carried such a press release for the second time since Kim Il-song's July 1994 death. Up until that time, they had run Kim's New Year message.

The editorial called South Korea's ruling and opposition parties "a corrupt political grouping" and made no offer to improve inter-Korean relations.

In his reaction, an official here said, "There would be no significant improvement of inter-Korean relations unless there is some special event."

But Pyongyang will continue its "peace offensive" on Washington, he remarked, citing a passage of the article which said, "Establishing a peace guarantee with the United States would lead to a smooth implementation of inter-Korean agreements which would in turn have positive influence on the reunification of the fatherland."

The possibility that Kim Chong-il formally succeeding his father as head of both the government and the party was hinted at.

The editorial, referred to Kim Chong-il as the "head of the party's Central Committee," and described 1996, the third year of Kim Il-song's death, as "the year of an important milestone in the revolutionary history" of North Korea.

In recognition of the three-year mourning period delaying Kim Chong-il's assumption of power, the editorial suggested that the appropriate time would be after the June anniversary of the senior Kim's death begins the third year of grieving.

North Korean analysts agree, however, that the most significant feature of this press release is its call for "strengthening its three major positions" — political, economic and military positions.

According to experts, this is a shift from the previous strategy of "developing and strengthening three major revolutionary potentialities" — revolutionary forces in North and South Korea and the international community. The shift appears to be prompted by the need to defend North Korea from "capitalism's spring-breeze offensive of reform and openness" which has followed the fall of communism in Eastern Europe.

The editorial emphasized that 1996 is the 70th anniversary of Kim Il-song's founding of "the alliance for destroying imperialism," and exhorted the North Korean people to preserve "our-style socialism." This suggests that North Korean leadership will stick to its closed-door international policy in the coming year.

The development of agricultural and light industries emphasized as it was last year, as well as international trade, calling this "the teachings inherited from" Kim Il-song. The importance of the coal, metallurgy, construction, and transportation to "the people's economy" was also stressed.

The flood damage resulting from last summer's flood was mentioned indirectly, which was interpreted by experts as an indication of the severity of its impact on the North Korean economy.

Amnesty Group: North Lumbermen Assumed Executed

SK2612034695 Seoul CHOSON ILBO in Korean
21 Dec 95 p 2

[YONHAP report from Taegu]

[FBIS Translated Text] In late April, Amnesty International dispatched an investigation team to North Korea to investigate whether there were cases of infringement of human rights. A report on the results of the investigation was released on 20 December.

Amnesty International revealed: "It is being assumed that North Korean authorities forcibly repatriated its lumbermen who escaped to Russia and executed them, or sent them to Khabarovsk and the Amur region and then executed them. However, an independent investigation regarding this matter was impossible during our visit to North Korea."

The ROK branch of Amnesty International (Samdok 1-ka, Chung-ku, Taegu) revealed this through the "95 North Korean Human Rights Report" released by its headquarters in London, and also made public the names of the 58 North Korean political prisoners and the explanation of this by the North Korean authorities. During one week from late April to early May, the investigation team visited a so-called rehabilitation center (prison) situated near Sariwon, North Hamgyong Province and carried out an investigation of those responsible at the rehabilitation center with regard to the method of punishment and how they handle complaints. When asked about the whereabouts of some 50 political prisoners who have been identified during the past two years, the North Korean authorities confirmed that only two of them were detained and denied that there were other political prisoners. They revealed that the two who were detained had died of an accident.

The investigation team revealed that the North Korean authorities claimed that there are currently only three rehabilitation centers and the number of prisoners confined here number from 800 to 1,000 prisoners including 240 antistate criminals.

NUB 1995 Report on North Korea Summarized*SK2712015795 Seoul CHOSON ILBO in Korean**26 Dec 95 p 10*

["Summary" by reporter Song Ui-tal of the "1995 North Korea Overview" published by the ROK National Unification Board on 25 December; first two paragraphs are CHOSON ILBO introduction]

[FBIS Translated Text] Of North Korea's estimated population of 22,953,000, as of the end of 1994, 60 percent are said to reside in urban areas. Only 8.6 percent of the population live in the northern inland areas of Chagang and Yanggang Provinces. The Intelligence Analysis Department of the National Unification Board [NUB] published the "1995 North Korea Overview" on 25 December, assessing North Korea's political, economic, social, cultural, and military situation and its policies on foreign relations, geography, South Korea, and reunification. Kim Hyong-ki, chief of the Intelligence Analysis Department, said: "This publication focuses on describing the North Korean situation following the death of Kim Il-song in 1994. The latest North Korean publications and testimonies of defectors were primary sources. We also cooperated closely with the Agency for National Security Planning in writing this report."

This is the second overview on North Korea published by the NUB following the first one published in 1992. The report is authoritative as it is the ROK Government's official assessment on North Korea. The following is a summary of the publication.

Economics: As of the end of 1994, North Korea's GNP per capita is estimated at \$923, a 10-percent decrease from \$1,640 in 1990. North Korean authorities, however, assert that North Korea's GNP per capita is \$2,400. North Korea's foreign debt from trade deficit stood at \$10.6 billion as of the end of 1994, a significant increase compared with the \$1.5 billion in 1985 and \$7.8 billion in 1990. According to researchers, the annual production capacity of major North Korean industries are: 33,000 automobiles, 35,000 machine tools, 260,000 television sets, and 214,000 tonnes of shipbuilding.

Living conditions: Ordinary workers are provided with one working suit once or twice a year. Teachers and engineers can purchase fabric for one suit at a low price every three to four years. Different classes have different sizes and building structures. Ordinary workers and school principals may live in apartments with one or two rooms, one living room, and one kitchen.

In rural areas, most houses do not have individual water taps or bathrooms. They use public bathrooms. North Korea's Third Seven-year Plan (1987-1993) mapped

out a plan to build one million housing units, but only 290,000 to 340,000 housing units were built.

Transportation and telecommunications: Railroad transportation accounts for 86 percent of cargo and 62 percent of passenger freight.

Of the total railway length of 5,112 km (including 34 km of subway line), 3,850 km is electrified. The Korea Civil Aviation Company, North Korea's sole air carrier, possesses 21 civilian aircraft and operates five regular international routes from Pyongyang to Beijing, Berlin via Moscow, Khabarovsk, Sofia via Moscow, and Bangkok.

At the end of January 1995, a 300-km optic cable was installed between Pyongyang and Hamhung, and the expansion of a modern telecommunications network between cities is in the works.

Tourism: Commercial colleges began to open tourism departments in 1987. In October 1995, the Pyongyang-Hyangsan tourist road (over 120 km) was open to attract tourists. Recently, a passenger ferry between Wonsan and Haegumgang, as well as an excursion boat on the Taedong River, were launched. A 100-passenger cable car to the crater lake on Mt. Paektu is also in operation.

Administration districts: As of October 1995, North Korea's administrative districts include one special city, two central government-controlled cities, 25 cities, 148 counties, 36 districts, 3,322 ri's, and 256 workers' districts, compared to six provinces, nine cities, and 89 counties after the liberation. Newly designated cities or upgraded counties during the past three years include the Najin-Sonbong city (designated in October 1993), Chongju city (August 1994) in North Pyongan Province, and Sudong County (1994) in South Hamgyong Province.

Government organizations: In the Administration Council, it is believed that the Railway Ministry, the Maritime Transportation Ministry, and the Commerce Ministry were closed in 1993 and that the General Bureau of Joint Venture Industry, General Bureau of Reception of Overseas Compatriots, and the State Environmental Committee were newly added. The State Defense Department was renamed as the State Security Department, continuing its political surveillance duties to support the unitary system of Kim Il-song and his son. The National Defense Commission was upgraded to controlling the overall buildup of armed forces and defense capabilities, and was put in charge of commanding all forces, with the right to declare a state of war and issue mobilization orders.

Foreign relations: As of October 1995, North Korea maintains diplomatic relations with 132 countries. (The ROK has diplomatic relations with 180 countries.)

They include 43 countries in Africa, followed by 35 in Europe. North Korea has membership in 25 international organizations, including 14 UN organizations. (The ROK has membership in 57 organizations.)

Foreign Investment Breaks \$10 Billion Mark

SK2612144495 Seoul YONHAP in English
0635 GMT 26 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — Foreign investments in shares of Korean businesses have surpassed the 10-billion-U.S.-dollar mark for the first time ever since the nation threw open its stock market in January 1992.

According to a report on "1995 foreign investments" released Tuesday by the Securities Supervisory Board (SSB), net alien investments here soared 21 percent from 1,914 million dollars in 1994 to 2,315 million dollars this year, bringing total foreign investments in South Korea to 11,999 million dollars between 1992 and 1995.

Particularly, 3 billion dollars flew into the country in just three months after the government raised the investment ceiling for foreigners from 12 percent of a company's capital to 15 percent, according to the SSB data.

Net buying of shares by foreigners also grew 48.2 percent to 1,378.4 billion won (about 1.78 billion dollars) this year, the data noted.

The number of foreign investments registered stood at 814 this year, a 19.4 percent hike from 1994, with the United States topping the list with 304 cases, followed by Britain with 108, Ireland with 41, and all others with 361.

Antidumping Measures Said Increasing on Exports

SK2712031495 Seoul THE KOREA TIMES in English
27 Dec 95 p 8

[FBIS Transcribed Text] Anti-dumping measures against Korean export products have increased in foreign countries.

According to the Korea Trade-Investment Promotion Agency (KOTRA) yesterday, 17 cases of anti-dumping steps involving Korean goods have been made in foreign nations, but not in the United States and European nations.

Six cases are being investigated after suits were filed on Korean goods, the organization said.

The nations conducting anti-dumping measures against Korean products include Canada, Australia, New Zealand, Argentina and Mexico.

Among them, Canada has imposed anti-dumping steps on six Korean goods, like potable album [as published], water-proof shoes and zincography.

Argentina, for its part, has taken similar measures against microwaves and gas lighters this year since it took the steps on domestically-made color television sets.

MOU Signed With WHO on West Pacific Fund

SK2712020595 Seoul YONHAP in English
0109 GMT 27 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP) — South Korea Wednesday signed a memorandum of understanding (MOU) with the World Health Organization (WHO) on the provision of 150,000 U.S. dollars in grants for projects to improve public hygiene in the West Pacific region.

Foreign Minister Kong No-myong and Han Sang-tae, secretary general of the WHO Western Pacific Regional Office, signed the MOU on the establishment of a cooperation fund for WHO's Western Pacific Regional Office.

South Korea is an executive board member of WHO and will host the global body's 47th annual meeting in the Western Pacific region in September 1996.

Prosecution Says Chon Invested Billions of Won

SK2612143895 Seoul YONHAP in English
1101 GMT 26 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — The prosecution, now looking into the possible slush fund raised by former President Chon Tu-hwan, has found out he used tens of billion won in purchasing real estate and securities around the time he stepped down upon the expiration of his term.

A prosecution source said Tuesday that in one of his real estate purchases, he bought a deluxe villa under the name of An Hyon-tae, chief of presidential security service under his administration, in May 1988.

The 50-pyong villa, valued at about 600 million won, is located at Pangbae-tong, Socho-ku, Seoul.

The prosecution also confirmed that Chon purchased tens of billion won worth of securities such as long-term bonds and certificates of deposits.

"We have confirmed through the tracing of the money on his bank accounts that he used tens of billion won

in purchasing securities, many of them under the names of his relatives," the source said.

Investigators Question Former Minister on Kwangju

*SK2612032795 Seoul YONHAP in English
0239 GMT 26 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — Prosecutors, now investigating the bloody suppression of the Kwangju pro-democracy demonstrations in May 1980, summoned former Defense Minister Yi Ki-paek and two others for questioning Tuesday.

Yi was questioned about the Special Committee for National Security Measures of which he was a key member. The committee was formed immediately after the Kwangju incident to take the place of the National Assembly during martial law.

Former South Cholla Governor Chang Hyong-tae was questioned about how airborne troops had suppressed protesters and how the confrontation unfolded.

Pak Tong-won, former operations officer of the Capital Garrison Command (CGC), was questioned about the deployment of CGC troops in and out of the capitol building on May 17, 1980, while the state council was holding a meeting. The CGC was commanded by Maj. Gen. No Tae-u at that time.

On Christmas day the prosecution called former Korean Marine Corps Commandant Kim Chong-ho and former Combat Development Officer Kim Sun-hyon of the Army Combat Training Command in for questioning.

Victims' Relatives Protest 'Casual' Kwangju Probe *SK3012014295 Seoul THE KOREA TIMES in English 30 Dec 95 p 3*

[FBIS Transcribed Text] KWANGJU — Prosecutors now conducting an on-the-spot inspection on the site of the military crackdown on civil protests 15 years ago yesterday continued to collect testimony from civilian witnesses to the bloodshed in this southwestern city.

Before a question and answer session with the witnesses, the joint investigation team formed by the Seoul and Kwangju District Prosecutor's Offices visited Chunam and Songam villages, the sites of two massacre of civilians by military troops.

A key witness to the Chunam village incident, Kim Son-hi, 35, then a nursing assistant, told the prosecutors the number of victims of the deadly attack on the bus in Chunam village was possibly bigger than 11, the figure earlier given by prosecutors.

She also gave testimony about the execution of two other persons at the scene of the massacre by soldiers of the 11th Airborne Brigade on May 27, 1980.

Another witness to other killings of civilians, Catholic Fr. Cho Pi-o, chairman of the May 18 Commemorative Foundation, explained the prosecutors the negotiations that took place between civilians and the martial law forces.

The Catholic priest, along with Chang Hyong-tae, then Cholla-namdo governor, waged a tug of war with the military commanders, seeking withdrawal of the martial law forces from Kwangju and the disarmament of civilian protesters at the height of the bloody clashes between the two parties.

The negotiations fell through when the military commander refused to accept the conditions under which civilians could accept disarmament. Cho claimed in his answers to questioning by prosecutors.

The priest was questioned by prosecutors whether he himself witnessed any instances of machine-gunfire by Army helicopters at demonstrators, regarding his earlier allegation that several protesters had been killed in shoot-outs from a chopper.

The prosecutors' team will conduct on-the-spot inspections at about 10 more sites where armed clashes took place, including an area near Kwangju Prison.

Meanwhile, Kwangju citizens and families of the victims of the bloody 1980 crackdown are showing an icy response toward what they claim to be "insincere" in investigating the incident 15 years ago.

Some of the victims' family members went on to block the investigators' car on the way to Chunam village, Thursday, in protest against their allegedly casual investigation.

They did nothing more than merely look around the massacre sites and take a few pictures, the victims' families shouted.

Kim Yong-sam Asks Advice From Leading Figures *SK2612143795 Seoul YONHAP in English 1117 GMT 26 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — President Kim Yong-sam on Tuesday sent letters to about 30,000 leading figures in all walks of life, explaining them about major state affairs and soliciting for suggestions or opinions, if any. [sentence as received]

"If and when the addressees send ideas in response to the presidential call, they will be duly reflected on policies," a Chongwadae [presidential offices] official said.

The messages were sent to influential people in eight separate sectors including the professional group comprising college professors, physicians and lawyers, educational officials, social organizations, and the women's circles, the source said.

President Kim Yong-sam Gives New Year Message

SK0201085296 Seoul KBS-1 Television Network
in Korean 1200 GMT 1 Jan 96

[Text of ROK President Kim Yong-sam's 1996 New Year's message — recorded]

[FBIS Translated Text] Dear 70 million fellow countrymen at home and abroad:

The morning of the New Year 1996 has dawned. Fellow countrymen, we now have a profound ambition to make our nation a first-class state within the world.

We have launched the work of correctly establishing history in order to build a genuine community dominated by justice, law, conscience, and moral principles.

Indeed, the correct establishment of history in order to rectify the erroneous past is a signal informing the people of the new birth of our society, and is a proud start toward our second nation-building.

Fellow countrymen at home and abroad, we ought to create the glorious history that gives freedom and happiness to the people; love and harmony to society; prosperity and pride to the nation; and unification and self-respect to the country.

This is the very dream of the new Korea which will emerge as a first-class country within the world.

With a keen sense of solemn responsibility for the people and history, I will take the lead in carrying out this sacred task, and will devote all my energy and efforts to achieving that task.

By consolidating the nation's security and public security, I will see to it that economic development is accelerated and that all of you enjoy a peaceful and abundant life.

I will make every effort to have the government stand close to the people, and will make every effort to create a honest and competitive government.

Before undertaking the national mission to build a clean and just society as well as a central state within the world in the 21st Century, let us all open our hearts and become one, transcending regions, political factions, and generations.

Thus, let us make 1996 the first year for beginning the great cause of creating a second era of nation-building. Thank you.

Finance Minister Na Issues New Year's Message

SK0101041996 Seoul THE KOREA TIMES in English
1 Jan 96 p 9

["Gist" of New Year's Message by Na Ung-pae, deputy premier and minister of finance and the economy: "Economic Reform To Go on Stably" — place and date not given]

[FBIS Transcribed Text] Last year, Korea's exports exceeded 100 billion dollars, with per capita GNP reaching 10,000 dollars. Inflation was curbed at 4.7 percent last year from the same period in the previous year or an annual rate of 4.5 percent. Korea's economy, which gained vitality in 1994, grew by more than 9 percent last year.

Despite the export growth, the current account deficit widened due to a surge in imports of machinery for facilities investment. The deficit was not so serious in view of the size of the Korean economy. The deficit resulted from the financing of imports of machinery and equipment, a healthy sign for the modernization of the economy.

A variety of economic reform measures, including the real-name financial transaction system, took firm root in our society. Efforts have been made to ease business regulations on a sustained basis.

Looking at this year, global economic growth will continue, with prices of international raw materials and global money market rates falling.

Domestically, our economy will grow at around potential GNP growth rate of 7-8 percent from last year's growth rate of more than 9 percent. But the general elections, surge in capital inflow and rises in prices of agricultural products might dampen the recent downward trend in inflation.

The widening of the market and ignition of competition will force small- and medium-sized firms to undergo painful structural adjustment. There is worry that policy coordination and cooperation between the central and the provincial governments might not be smooth due to full-scale implementation of the local autonomy system. All economic policies will be implemented on the basis of the pre-announced New Economy Five-Year Plan in a predictable and consistent way.

First, the government will engineer a soft landing for the economy, to minimize woes that might arise from high growth. Second, economic reform programs and efforts to improve the corporate business environment will be pushed on a sustained basis. Efforts will be made to ensure a trouble-free implementation of the real-name

real estate registration system and the global financial income tax system this year.

Third, the government will leave no stone unturned in assisting ailing sectors due to economic polarization and the industrial adjustment process, as long as supportive measures are permissible under international rules and practices.

Small firms and the self-employed will be given fiscal, tax and financial incentives so that they are able to make a smooth adjustment to the new changes. The ongoing program to improve the structure of the farming and fisheries sector will continue without let up. Surtaxes collected for the development of farming and fisheries villages will be used in a most effective way.

Fourth, emphasis will be placed on stabilizing the people's way of living and enhancing the quality of life for ordinary citizens. Maintaining stability in the people's way of life will curb inflation to the maximum extent. I will make efforts to stabilize inflation by adopting all market-oriented policy tools available.

Improvements will be made to promote safety of food and buildings. In addition, transportation, the environment, medical services and the educational system will be given special consideration when the government implements economic policies.

Fifth, various rules and practices will be streamlined and efforts will be made to create an advanced economic environment in this age of globalization and localization.

Economic reforms will be boldly made as long as they serve to help the globalization of the economy and sharpen the nation's international competitive edge. But economic reforms will be made within a framework of not shaking the stability-oriented growth. It is also necessary for Korea to reform the economy for its entry into the OECD and to cope with the WTO [World Trade Organization] system effectively.

This year, the central government will delegate more authority to the local governments. Efforts will be made to help local governments become more self-sufficient financially. And a system will be installed to ensure more smooth policy coordination between the central and provincial governments.

NKP Secretary: No Leader Reorganization Planned

*SK2612064095 Seoul YONHAP in English
0540 GMT 26 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — Rep. Kang Sam-chae, secretary general of the ruling New Korea Party (NKP), said Tuesday that the party is not considering the reorganization of the party's

leadership system at next month's national convention or committee.

He told reporters at the party headquarters in Yoido, "I understand those who believe that the party should reflect some sort of change at next year's national convention or committee, and I will study the various options available for changing the party's image."

Asked about rumors that the NKP will invite former prime ministers Yi Hoe-chang and Yi Hong-ku or former lawmaker Pak Chang-chong to the party's leadership, Kang said, "I don't know anything about that."

He said, however, that he is eagerly meeting with those interested in participating in the party's reform drive, hinting that the party is recruiting many reform-minded individuals to the party in preparation for next year's general elections.

With regard to the necessary qualifications to be nominated as a NKP candidate in the general elections, he said that the party will consider those who are reform-oriented, as well as moral and dependable as all ruling party candidates should be.

NCNP Postpones Hearing on 'Contentious' Issues

*SK2612063795 Seoul YONHAP in English
0548 GMT 26 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP) — In a move to ease political tensions, the major opposition National Congress for New Politics (NCNP) postponed Tuesday a mammoth public hearing rally on contentious political issues that the party had planned to hold before year's end.

The party's guidance committee decided at a meeting Tuesday morning that no purge of politicians will take place for the time being. It also withheld a plan to convene an extraordinary parliamentary session sometime in January for the purpose of submitting a warning motion against President Kim Yong-sam and a no-confidence motion against newly-appointed Prime Minister Yi Su-song.

Rep. Pak Chi-won, spokesman for the NCNP, said, "because there are no specific signs of political cleansing and also because the population wants stability, we've decided to concentrate on defense rather than offense."

"If and when President Kim purges targets politicians while not cleansing himself, Yi Won-cho and Kum Chin-ho, we'll never condone it," Pak added. [sentence as received]

Yi, a former bank superintendent, and Kum, a member of the ruling party and a brother-in-law of ex-president

No Tae-u, have been indicted without physical detention for their alleged roles in No's slush fund scandal.

Adjustments to Rice Purchase Plan Announced

SK2712032095 Seoul THE KOREA TIMES in English
27 Dec 95 p 8

[FBIS Transcribed Text] The Ministry of Agriculture, Forestry and Fisheries has decided to extend the government purchase period for newly harvested rice to Dec. 30 from its earlier Dec. 23 deadline.

The ministry also decided to adjust the purchase amount in accordance with the specific situation of each province.

The purchase rearrangement came in the wake of a reluctance on the part of farmers in some regions to sell rice to the administration and calls from their counterparts in other regions for more purchases, a ministry official explained.

The purchase quota in the regions of Kyonggi-to and Chungchongnam-to has decreased by 160 and 76 thousand sok respectively (one sok is equivalent to 144kg).

In contrast, quotas from the provinces of Chollanam-to and Chollapuk-to have increased by 160 and 76 thousand sok respectively.

The ministry official noted that rice prices have been stabilized after the administration began selling rice from the government's warehouses.

As of Dec. 22, the administration had bought 9.32 million sok of rice or 96.9 percent of its 9.6 million sok purchase quota.

'Korea Window' Internet WWW Server Described

SK2912054095 Seoul THE KOREA HERALD
in English 29 Dec 95 p 8

[By staff reporter Yu Chong-mo]

[FBIS Transcribed Text] Have you ever heard of 'Korea Window'?

It's not a name of a weekly magazine or computer software.

'Korea Window' is a World Wide Web (WWW) server of the Internet, which provides a wide range of information about Korea in English.

The scale and scope of data and materials stored on the Korea Window simply surpass all imagination.

About 10,000 pages of English data, 20,000 items of image data, 500 items of audio data and 50 items of video data are available through the Korea Window, along with daily news updates.

Um Sung-yong, a mid-ranking official working at the Korean Overseas Information Service (KOIS) affiliated with the Ministry of Information, calls the WWW server a 'Korea encyclopedia.'

Um, 38, chief of the KOIS's Electronic Information Section, played a key role in the creation of the Korea Window early this month.

"The Korea Window is good news particularly to the foreign scholars, students, researchers, businessmen, journalists, diplomats and all others who are interested in Korea," Um said in an interview with THE KOREA HERALD yesterday.

"As Korea's economic might and influence are heightening in the international society, the demand for information concerning Korea is also rising. Quite unexpectedly, however, only a limited amount of English-written Korean data is available abroad. The Korea Window is extensive enough to quench the foreign thirst for information on Korea," Um said.

The Korea Window comprises more than 30,000 kinds of data and material in the fields of business, tourism, culture & arts, paintings, business, science & technology, Korean heritage, information infrastructure, Buddhist sculpture, pottery and porcelain, traditional dance and music, movies, etc.

The 'Business in Korea' section contains lots of economic figures and statistics, stock-market trends, listings of business people, economic organizations and groups, as well as contact numbers.

Provided by the Korean National Tourism Corp., the Tourist Information section lists detailed tourist information on hotels, bus and railroad transportation and mountain climbing routes.

Foreign people can encounter information and pictures on taekwondo, kimchi, folk and Buddhist paintings and folk games, for example, at the Korea Heritage section, while listening to recordings of traditional Korean music including court music and folk music, at the Korea through Sounds section.

The News on Korea section includes selected articles from Korean newspapers and weekly and monthly magazines, daily business news from a Korean economic daily, and press releases by all of Korean government ministries and public organizations.

The KOIS is moving to offer English news from THE KOREA HERALD to the Korea Window server from early next year. The Voice News section is linked to the Korean Broadcasting System (KBS) and Munhwa Broadcasting Corp. (MBC) web servers and contains news in both English and Korean.

Even Chongwadae [presidential offices] started offering its own information, including moves on President Kim Yong-sam, to the Internet through the Korea Window from last week.

Notably, the entire server starts with a welcoming message from President Kim, who says: "In the spirit of Segyehwa, or globalization, the Korean Government is working hard with all peoples of the world to create a brighter and more prosperous future."

For Korean expatriates and residents staying abroad, the Korea Window also offers its information in the Korean language.

"I myself was surprised to learn that nearly 90,000 people worldwide had plugged into the Korea Window server between Dec. 1 and Dec. 20, or 4,500 people per day," Um said.

"As the KOIS will make continuous efforts to improve and upgrade the English information service in the following years, the popularity of the Korea Window will also keep growing," he stressed.

Um said that he is personally attached to the Forum section, where any of the 30 million Internet users worldwide can freely express their opinions on a specific topic on Korea.

Um started preparations for the Korea Window about two years ago after returning from his stint with the U.N. representative office in New York. In the United States, Um saw a lot of advanced countries showing great enthusiasm about national P.R. activities through cyberspace.

"A growing number of countries are recognizing that the image of a nation is directly linked with the competitiveness of the country's products," he asserted. (Address: webhost@kowin.kois.go.kr)

Statistics on High-Income Citizens Reported

SK2612144395 Seoul YONHAP in English
0912 GMT 26 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — The number of persons who earned a net income of more than 100 million won (129,330 U.S. dollars) this year stood at 13,138 last year, a 32.9 percent rise from the 9,884 recorded the previous year, according to the National Tax Administration's (NTA) annual report on domestic taxes released Tuesday.

The 13,138 income earners represented a mere 1 percent of last year's 1,255,585 income earners who fell under the global income tax bracket. Such 100 million won-plus earners, however, raked in 2,792,683 million won (3.61 billion dollars) in 1994, making up 14.6 percent

of the total 19,110,522 million won earned by those in the global income tax bracket, the NTA report said.

The sources also showed that taxes paid by such 100 million-won earners came in at 1,095,532 million won, accounting for 30.9 percent of the total 3,540,131 million won collected in global income taxes.

Meanwhile, the number of the total global income taxpayers increased by 127,500 last year, up 11 percent from a year ago, the report said.

KDI Proposes Payroll Reduction for Productivity

SK2612032995 Seoul THE KOREA TIMES in English
26 Dec 95 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The state-funded Korea Development Institute (KDI) has proposed an additional reduction in payrolls to raise productivity in the government sector.

The institute described personnel management in the government sector as "too vertical, rigid and authoritarian," urging the government to revamp its systems along the lines followed in the private sector.

It said the reorganization of government structure has not taken place across the board, with the limited changes confined only to the ministries handling economic policy and affairs.

The basic direction of the reform in government organization must be geared toward increasing productivity. It said reform of the government sector will not be successful if the task is left to government officials themselves as they are naturally inclined to maintain the status quo. It suggested a public hearing next month to gather opinions from the non-governmental sector on ways to reform the sector.

In addition to revamping personnel management systems, government organization, accounting and budgeting must be completely changed, the KDI said.

It said the government must be reformed so that civil servants are seen to provide public services for the benefit of the government's "customers," namely taxpayers. The concept of responsible management must be introduced in government in line with the trend in the private sector, the institute said.

The productivity of each government official must be calculated by evaluation of the results of his or her work, it said. This is the first time that a state-funded institute has issued such a critical proposal of government remodeling along the lines prevailing in the corporate sector.

The KDI has issued its recommendation at a time when criticism is mounting of the reorganization of government ministries, including the merger of the Economic Planning Board and the Ministry of Finance, last year. President Kim Yong-sam's "shocking" order to downscale government, was said to have had only cosmetic effects because its execution was controlled by government officials, not by outsiders.

The government, despite a reduction in organization, was unable to trim manpower, with most redundant civil servants idling away their time at domestic and foreign research institutes, organizations and universities. The revamping was limited also only to the economic-related ministries, without the Home Affairs Ministry, for instance, being affected.

Long-Range Quality-of-Life Plan Reviewed

SK3012014595 Seoul THE KOREA TIMES in English
30 Dec 95 p 3

[FBIS Transcribed Text] Every Korean is to be covered by some form of social welfare such as an old-age pension, industrial accident compensation or unemployment allowance by the year 2000 under a long-range government plan to boost the quality of Koreans' life to the 15th best in the world.

The plan's basic principles are to restructure welfare system so it is geared towards recipients rather than suppliers, to guarantee a minimum standard of living and to rework establishment-oriented welfare services into family-oriented ones.

The plan comes as part of a blueprint which the National Welfare Planning Committee made public yesterday in connection with the government's "segyehwa" or globalization efforts.

The ad-hoc team, which comprises 22 professionals from various walks of life under the joint leadership of Health-Welfare Minister Kim Yang-pae and Korea Development Institute President Cha Tong-se, revealed its details in a public hearing held in Seoul yesterday.

A wide spectrum of opinion about the draft will be reflected in the process of writing the final version, which will be reported to the Presidential Commission on Segyehwa early next year.

The government will make Korea the world's 15th best country in terms of the quality of life as the nation

crosses the threshold of the 21st century and the 11th best in 2010. At present, it is the 32nd.

Beginning in 1998, self-supporting businesses in urban areas will be incorporated into the pension system and the industrial disaster compensation system will be extended to office and bank clerks and blue-collar workers in companies of four or less employees. Disaster insurance covers only blue-collar workers at places hiring five or more now.

Firms with 10 to 29 employees will be added to the unemployment allowance system in 1998. By 2000, places with five to nine employees will also be included, placing nearly all Koreans of employment age in it.

Retiring subscribers will be able to collect social security any time between the age of 55 and 65. At the moment they can only collect it at 60. In the future, women will be entitled to a share of their husband's social security at the time of divorce.

The master plan also does away with the limited medical insurance coverage period of 210 days per year under the current law. An extension of insurance coverage after resignation is also under consideration, according to the welfare planning committee.

Monthly subsidies given to needy people will also be increased to cover minimum living costs in 1998. They cover 70 percent at present.

And the children of parents attending non-commercial high schools will be granted tuition by the government beginning in 1998. Junior college students with good academic performances in a similar situation will be offered interest-free loans. At the moment; tuition is free from primary to middle school and for commercial high school students.

The government which has so far distributed a uniform subsidy to needy people will differentiate the amount depending on their place of residence and size of their family.

Volunteer workers will be fully used to provide welfare services for elderly folks without families, and the disabled and underprivileged female population. They will be cared for in their homes rather than being put in facilities.

Burma

Government Troops Reportedly Enter Khun Sa Base

*BK0301104796 Hong Kong AFP in English
1028 GMT 3 Jan 96*

[FBIS Transcribed Text] Bangkok, Jan 3 (AFP) — Government troops have entered the headquarters of accused drug lord Khun Sa in northeastern Burma after the two sides signed a ceasefire, a dissident group said Wednesday.

Khun Sa's Mong Tai Army (MTA) voted in a referendum on December 22 to operate as a regional defence force under the Burmese government, the All Burma Students' Democratic Front (ABSDF) said in a statement.

A ceasefire was signed a week later, after which three battalions of Burmese troops entered the MTA headquarters at Ho Mong, about 30 kilometers (18 miles) from the Thai border, the statement said, citing informed Shan sources.

The statement said another seven battalions were stationed in the hills around another MTA stronghold, Doi Lang, to the east of Ho Mong, but did not mention any fighting.

An MTA source in the northern Thai town of Mae Hong Son told AFP by telephone that nine Burmese intelligence officers had arrived at Ho Mong on December 30 for talks which were still ongoing.

Burmese military officials in Rangoon said that ceasefire overtures had been made towards the MTA, which has been fighting for an independent Shan state.

They did not give details and would not comment on reports that Khun Sa, who handed power over to the MTA's central committee on December 22, had surrendered.

The whereabouts of Khun Sa, a self-styled Shan independence leader who has been accused of drug trafficking and presiding over the world's largest opium producing areas, were unknown.

MTA sources Tuesday denied reports that government soldiers had taken Ho Mong and that Khun Sa was in hiding.

The sources said the reports were based on the presence of the more than 2,000 Burmese troops who had arrived at Doi Lang, opposite the northwestern Thai town of Mae Aey Thaton.

Another Shan source reached by telephone in northern Thailand said Wednesday that other ethnic groups in the

area had reported the presence of Burmese soldiers at Doi Lang.

"There must have been a deal made or they wouldn't have gotten that far," the source, who requested anonymity, said.

Rangoon has reached ceasefire agreements with 15 ethnic insurgent groups in return for aid and de facto control of rebel-held territories.

The government had previously refused to recognise the MTA as an ethnic group eligible for a ceasefire agreement, saying it was a drug-running group.

NCGUB's Sein Win Asks for Support for NLD

*BK3112105595 Oslo Democratic Voice of Burma
in Burmese 1100 GMT 30 Dec 95*

[Appeal by Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma, NCGUB, to the people of Burma on the occasion of Burma's 48th Independence Day on 4 January 1996 — recorded]

[FBIS Translated Text] Parents and people: The present time is the most crucial time for Burma as well as for the democratic cause. Leaders of the National League for Democracy [NLD], including Daw Aung Suu Kyi, are waging a struggle in the interests of the people's future without regard for all kinds of danger confronting them.

All of the people have a responsibility to strive for liberation from the SLORC's [State Law and Order Restoration Council] military administration, the reestablishment of tranquility and prosperity in Burma, and the promotion of democracy. Only the people can shape their future. Therefore, it is necessary for the people to support the NLD and continue to wage the struggle.

We are exerting our utmost efforts in working to isolate the SLORC at the United Nations and in the international community and to obtain support for the democratic struggle. The international community and civilized societies are preparing to take action against the SLORC clique. We understand the current difficulties confronting the people. We can, however, create and determine the future only with the cooperation and participation of the people.

For their part, it will be necessary for the people to take the following action:

1. It is important to disseminate among the people as much as possible the speeches by the people's leader, Aung San Suu Kyi.
2. It is necessary to individually take the initiative to reduce the capacity of the administrative machinery and reduce productivity, which can strengthen the

SLORC military clique. For instance, those in charge of production can reduce production. Those in the administrative machinery can reduce labor and time.

3. Avoid political and social cooperation with SLORC military leaders and punish them by isolating them socially. For instance, do not attend social functions related to local SLORC leaders, and do not invite them to social functions.

4. It is very important to inform the international media in a timely manner through foreigners visiting Burma about cases of human rights violation and of oppression by the military clique.

I appeal to the people to expect the best and be prepared for the worst, as advised by national leader General Aung San.

May the parents and people be healthy and happy.

Brunei, Malaysia & Singapore

Malaysia

Political Parties Condemn French Nuclear Test

BK3012092395 Kuala Lumpur THE STAR in English
30 Dec 95

[Report by P. Bala Kumar — received via Internet]

[FBIS Transcribed Text] PETALING JAYA: Several political parties and groups yesterday voiced their outrage against France for its continuing nuclear tests in the South Pacific.

They called for drastic action against France including a boycott of its goods and services since the country had ignored calls by the international community to cease nuclear testing.

Gerakan [Malaysian People's Movement] Youth legal and international affairs bureau chief Chang Ko Youn called for a boycott.

"We should cease immediately to purchase French products and other Asean countries must [do] likewise," he said.

MIC [Malaysian Indian Congress] deputy youth chief James Selvaraja said the French Government should be held responsible for the damage it had caused in the South Pacific.

"We will stand together with other political parties in the country to continue to condemn the French Government," he added.

People's Progressive Party president M. Kayveas said some form of boycott was necessary to put pressure

on France since it had complete disregard for the international community's call to stop nuclear testing.

"Certainly this is not the way to end the year. This is the worst thing the French government can do," he said.

France set off the fifth blast in its series of underground nuclear tests at the Mururoa Atoll in the French Polynesia on Wednesday.

It has said it would conduct a total of six tests in the series, which began on Sept 5 while promising to sign the Comprehensive Nuclear Test Ban Treaty — an accord banning nuclear tests permanently.

In October, 25 government and opposition parties led by Datuk Sri Dr Mahathir Mohamed met to condemn France for its nuclear testing.

DAP [Democratic Action Party] vice-chairman and Kepong MP Dr Tan Seng Giaw said the government should summon the French ambassador to make clear Malaysia's stand on the nuclear testing.

DAP international bureau chief Wee Choo Keong wanted Malaysia to recall its ambassador in France and lobby for the United Nations to impose sanctions against the country.

Parti Melayu Semangat 46 [Malay Party of the Spirit of 1946] information chief Ahmad Shabery Chik expressed similar sentiments.

"The government should summon the French ambassador to seek an explanation," he added.

PAS [Pan-Malaysian Islamic Party] international affairs chief Hassan Shukri said there should be continuous protest against the testing.

"If necessary, all the 25 political parties in the country should meet again to condemn the French government."

PRM [Malaysian People's Party] president Dr Syed Husin Ali said protests against nuclear test was [as received] pointless as the aim should be for complete disarmament of nuclear weapons.

Center for Peace Initiatives executive director Fan Yew Ting said the campaign to boycott French goods and services launched by the centre and other NGO's [nongovernmental organizations] would intensify in the coming days and weeks.

He added that they would be faxing to consumer organisations the list of French goods and services to be boycotted.

Malaysian Physicians for the Prevention of Nuclear War chairman Datuk Dr R.S. McCoy urged all Malaysians to intensify the boycott of French goods and services.

Article Hails ASEAN 'Unity' on APEC

*BK3012103195 Kuala Lumpur THE STAR in English
30 Dec 95*

[Article by Harpajan Singh: "Unity Key to ASEAN's Success" — received via Internet]

[FBIS Transcribed Text] FOR the first time, the Asean Leaders made a notable reference to the Asia Pacific Economic Co-operation (Apec) forum in their 10-page Declaration issued at the end of the Fifth Summit.

They obviously did not say much except for affirming that Asean shall co-operate closely on international trade issues in the international fora including the World Trade Organisation (WTO) and Apec.

But that meant a great deal and would certainly send some distress signals back home to certain Apec countries which do not advocate pacts among Apec members for their own ends.

Historically, this was the first time that the Asean leaders had decided to co-operate closely on Apec.

In the past, Asean members have always attended the Apec forum as individual entities which, at times, made the South-East Asian grouping look silly when its members seems to be poles apart in their stance on certain matters.

Another interesting development was Philippine President Fidel Ramos' statement that Manila would work closely with Asean in matters related to the 1996 Apec leaders meeting, to be hosted in Subic Bay in November.

Delegates also recalled Datuk Sri Dr Mahathir Mohamad's opening address at the summit where he slammed efforts to divide East Asian economies in the Asia Pacific [region] and called for Asean to undertake a broader role in the shaping of the Asian economic agenda.

Speaking after Dr Mahathir, Singapore premier Goh Chok Tong called for informal Asean summits annually between the formal summits once every three years and proposed that leaders of East Asian economies be invited to these meetings.

According to observers, the Asean leaders were trying to achieve three goals.

Firstly, they wanted Asean countries to be united when dealing with other groupings or in their stand within larger groupings.

Secondly, Asean leaders were sending signals to the private sector that their commitment remained to Asean and Asean free trade plan.

Lastly, that they did not want to put up with pressure from the United States or other Apec members on what they should or should not do.

As far as the private sector in Asean was concerned, the spate of events and decisions in the declaration on the Asean free trade area (Afta) and Apec were clear signals that businessmen should forget Apec for the time being and work on Afta endeavours.

The recent Asean Chambers of Commerce Convention in Bangkok was proof that some businessmen in the region were disillusioned about how Afta and Apec would complement each other, if at all.

By and large, the private sector seemed to be apprehensive over how Asean could end up competing with Apec's trade liberalisation agenda and the effects of this scramble on the players.

The question was also posed to International Trade and Industry Minister Datuk Sri Rafidah Aziz by a Thai businessman who felt the two programmes should try to find some form of reconciliation half-way down the road for the benefit and survival of the private sector in Asean.

Obviously tired of such comparisons especially by Western players who have tirelessly been trying to portray Afta as pointless with Apec's free trade plan in the making, Rafidah grabbed the bull by the horns.

"Asean is a marriage. Apec is a friendship. I know (Indonesian foreign minister) Ali Alatas says Apec is like a marriage. But I tell you, Apec is not even girlfriend-boyfriend.

"If some Asean member puts Apec and Asean on the same level, then we are in trouble. If you are asking me whether Apec will overshadow Afta—no way," Rafidah said, drawing applause from the packed hall.

In her sharp reply, Rafidah had admitted what her other Asean colleagues have been reluctant to openly say.

That there are some Asean members who are in opposite poles in their priorities to Afta and the Apec free trade plan — which naturally gives the private sector or multinational firms with branches in Asean countries reason to worry over differing policies and priorities that may appear in one country to another. [sentence as received]

No matter what the score sheets show of Asean's accomplishments in pursuing Afta, it does not take a genius to wonder what could be happening behind the closed Asean meetings when it takes the members days to even agree on simple lists for tariff cuts.

If the speeches at Asean summits are indicators, two or three Asean members appear to talk more about Apec's

endeavours than what Asean could accomplish — all of which seemed to give the private sector conflicting pictures.

In her two-hour long address cum dialogue session, Rafidah drove home the point that much of how things would turn out would depend on the private sector.

Political lobbying is becoming a worrying trend among some Asean states where the private has often been able to delay or pressure their governments to postpone plans to liberalise certain sectors which would hit the local player hard.

The same lobby, she pointed out, could be used to enhance ties and interaction through joint-venture endeavours with other South- East Asian or East Asian economies.

Governments in Asean always strongly support their private sector which lead the way in our market-driven trading system," she said in putting across her message that it was up to them to make Afta more important and meaningful.

Thai deputy prime minister Amnuai Wirawan and Asean secretary- general Datuk Ajit Singh also sent similar messages to the convention in their dialogue sessions when they pointed out Afta as a free trade area and Apec as a flexible endeavour.

Apparently, two things appear to miss a lot of people's minds.

That Asean is a grouping while Apec is a loose consultative forum. [sentence as published]

There are agreements in Afta unlike Apec where the trade liberalisation agenda is on best possible endeavour.

The Asean leaders reference to Apec therefore appears to be timely to set some of members in grouping straight once and for all through a proposal which may see the Asean leaders meeting informally before Apec meetings in future.

Ramos has quite aptly summed the proposal in Bangkok when he said Manila would consult Asean closely from time to time in preparing not only for the Apec meeting in 1996 in Subic Bay, but also in shaping the Manila Action Plan for Apec on trade liberalisation.

Cambodia

Halting Khmer Rouge Destructive Activities Urged

BK0101040596 Phnom Penh National Radio of
Cambodia Network in Cambodian
1300 GMT 30 Dec 95

[Station commentary: "Dust Should Be Removed From the Eyes"]

[FBIS Translated Text] According to the Khmer Royal Armed Forces General Staff, the Khmer Rouge in the fourth and fifth Military Regions have shelled, robbed, and shot and killed people in townships in the Treng, Poipet, Angkor Chum, and Srei Snam areas. The outlawed rebels have also planted mines that have destroyed many stretches of national routes and railroads in Pursat and Battambang Provinces.

Although the Khmer Rouge [KR] bandits are no longer able to stage major attacks against the Royal Government [RG], and although they are no longer a problem currently, with the above events, it is clear that they painstakingly continue to infiltrate to carry out destructive activities in villages and communes in remote areas for the purpose of creating difficulties, like dust in the eyes, for the people. Most seriously, some personalities and journalists have exaggerated the bandit-like activities to turn the Cambodian situation into gray or black, thus making foreign investors hesitate to do business with the RG.

Therefore, the Khmer Rouge, whose current activities are similar to those under the Democratic Kampuchea [DK] regime between April 1975 and December 1978, constitutes a very complicated problem for the Cambodian people.

When recalling the DK regime, people remember the unforgettable pain they experienced. They still feel pain because they were separated from their families, husbands, wives, children, sisters, brothers, and so on. They still feel pain because they were living in unavoidable shame. For three years, eight months, and twenty days, the people were human, but they were living differently from humankind or even animals. They still feel pain when they recall when they stealthily picked and chewed and ate grains of uncooked young rice. They still feel pain when they recall being caught, paraded, beaten, and tortured by their group leader for stealing grains of rice from grain removing board [words indistinct] for cooking. They still feel pain when they recall when they stole and ate uncooked corn. They still feel pain when they recall when they were sick, and they stole a spoonful of corn porridge to eat before going to work at two or three o'clock in the morning.

They still recall when members of their families, who were tied up and who dared not cry or protest, were paraded and verbally abused by village guards. They still recall when they could not get a mouthful of rice for a member of their families who was suffering, and who asked for it before passing away. They still recall when they could not obtain medicine to treat the severe diarrhea of their children who became increasingly weak and who died in the end. They still remember that when they were expelled from their homes they were together with all members of their families, but when they returned they returned alone. They feel terrible and incomparable pain.

Now, what have the KR bandits done to allay the pain? Do the attacks on villages or communes, the burning of people's houses, the robbing of people's rice crops, the ambushes of passenger trains and buses, and the destruction of bridges and roads allay the people's pain? Does the dispatching of terrorists with grenades to Phnom Penh to create turmoil allay the Cambodian people's pain? Although no source has confirmed that the KR bandits were responsible for two grenade explosions a few days ago, it is suspected, with the arrest of KR terrorists, that the explosions in which three people were injured were carried out by the KR bandits. If so, can the acts alleviate Cambodians' pain?

Every Cambodian wants peace and national reconciliation. With the excuse that there is no sincerity, the Khmer Rouge has, however, pushed away a great many good opportunities for national reconciliation. Raising the issue of insincerity is tantamount to the Khmer Rouge wanting power to be handed to it.

The RG knows the Khmer Rouge very well, better than anyone else. The Khmer Rouge wants others to be sincere while it shows no sincerity to anyone at all.

So far, the Khmer Rouge have employed all kinds of tricks to wrest back power and turn the wheel of history back to the era between 1975 and the end of 1978. Therefore, both foreigners and Cambodians who lend more or less, direct or indirect, support to the Khmer Rouge are certainly criticized. The criticism is not, however, made with indignation or with a grudge; it does not mean that reconciliation cannot be achieved. It is made because of incomparable pain.

Pursuing the policy of clemency and national reconciliation initiated by His Majesty the King, our people have exhibited fortitude by accepting the repentant KR compatriots into the national community regardless of legislation outlawing rebels. Nevertheless, it appears that the time to wait, beg, and appeal to those who are stubborn has ended. Although the dust in the eyes does not kill

people, it disturbs the people's livelihood and security; therefore, it must be removed.

Our people vehemently denounce those who prepare the Khmer Rouge's return to power. Some personalities who have never tasted the flavor of the genocidal regime are conducting demagogic propaganda about a so-called compromise with the Khmer Rouge for the sake of the motherland's peace. It is true that all want peace — those who really yearn for peace are the people in remote areas — but they do not want a 1975-type peace that turned the country into a (hill) of skeletons or a river of tears.

Indonesia

Government 'Regrets' France's Fifth Nuclear Test

*BK3012090495 Jakarta ANTARA in Indonesian
1725 GMT 29 Dec 95*

[FBIS Translated Text] Jakarta, 29 Dec (ANTARA) — The Indonesian Government regrets France's fifth nuclear test, which was conducted on Mururoa Atoll in total disregard of the decisions of the 1995 conference on the extension of the Nuclear Nonproliferation Treaty.

According to a press release issued by the Department of Foreign Affairs in Jakarta on Friday, the test shows France's (?reluctance) to "exercise the self-restraint" that it declared in the conference.

In addition, the test ignores the desire of South Pacific nations [words indistinct] environmental effects.

The Indonesian Government calls on the French Government to take action conducive to the realization of the Comprehensive Nuclear Test Ban Treaty in 1996.

Daily Urges Discontinuation of All Nuclear Tests

*BK0201092496 Jakarta KOMPAS in Indonesian
2 Jan 96 p 4*

[Editorial: "It is Time for All Countries To Discontinue All Nuclear Tests in 1996"]

[FBIS Translated Text] France conducted another nuclear test on Mururoa Atoll in the South Pacific at 2130 GMT on Thursday [28 December 1995] or 0430 [West Indonesian Standard Time] on Friday morning [29 December 1995]. It was the fifth test in a series of final tests before France signs the Comprehensive Test Ban Treaty [CTBT] next year.

In the latest test, France detonated a nuclear bomb, the intensity of which was equivalent to 30 kilotons of a conventional bomb or two times that of the atomic bomb dropped on Hiroshima. French President Jacques Chirac said the bomb would be used as a submarine nuclear

warhead, and the test was designed to obtain a technical parameter needed for a computerized testing simulation.

As in the first test on 5 September and the subsequent tests (the second on 2 October, the third on 27 October, and the fourth on 21 November), many countries, particularly in the Pacific, immediately strongly protested the fifth test because they felt that France had totally disregarded international concern.

France is expected to conduct another test. France will have conducted a total of six tests, two less than earlier planned. The series of tests will end in February, instead of in May as originally planned. Chirac denied that he had reduced the number of tests because of international outrage. As in the past, Pacific leaders strongly protested to France over the test.

New Zealand, for example, demanded an early end to the nuclear testing program and added that France's reputation had reached its lowest ebb. The New Zealand prime minister said France would have to rebuild its credentials in the region after the test, and it was going to be a long process.

Pacific Forum Secretary General Ieremia Tabai joined the Pacific protests by saying that the test was discouraging because it showed France's total disregard for the hope of countries in the region.

Acting Australian Prime Minister Kim Beazley described the French nuclear test in a statement as perhaps the worst New Year's message for the South Pacific.

In general, we conclude that the French Government has disregarded the UN resolution that regretted the nuclear tests and urged that they end immediately. The resolution was passed last December. Nevertheless, France continues with its nuclear testing program. The most other countries can do is to only make protests.

Indeed, there is one thing we always deplore. The so-called national interests or security of major powers always defeat those of the majority of the world.

Greenpeace, an environmental group, said while the world community was celebrating the new year with the hope that there would a peaceful and secure world, France's nuclear testing program would instead ensure that the world would be full of nuclear weapons.

According to New Zealand Prime Minister Jim Bolger, the latest test was against world public opinion, which surely believes that nuclear weapons should be eliminated. Is that true?

The United States has been able to intimidate or force Iraq, North Korea, and India to follow its will. There has been, however, no pressure against Israel, let alone France. According to Greenpeace spokesman Marc

Defourmeaux in Tahiti, local people feel like weeping over the dead every time there is a nuclear test. They feel humiliated.

The world has been generally powerless against the major powers, which frequently do whatever they like. The voice of the majority seems to be powerless against the reality of an international order that has made the current situation endless.

Unlike the PRC and France, others who possess nuclear weapons — the United States, Great Britain, and Russia — have maintained their commitment not to conduct nuclear tests.

We are looking forward to a new era in 1996, when not a single country in the world will conduct nuclear tests regardless of whether or not it possesses nuclear weapons.

We have been suspicious of the CTBT because the possessors of nuclear weapons will be able to continue conducting tests, although through computer simulations, and nuclear aspirants will find it more difficult to realize their nuclear dreams.

For us, the CTBT should pave the way to a true agreement that will totally eliminate nuclear weapons from the earth. Of course, some people will immediately say the idea is naive because it fails to recognize the ability of nuclear weapons to maintain peace since the World War II. Nevertheless, the option seems to be the best for the sake of justice and peace in the world.

Columnist on Security Agreement With Australia
BK0201121096 Jakarta MERDEKA in Indonesian
1 Jan 96 p 6

["Column" by Tribuana Said: "The Strategic Value of the Indonesian-Australian Security Agreement" — passages in slantlines in English]

[FBIS Translated Text] The /Agreement on Maintaining Security/ between Indonesia and Australia signed in Jakarta in December 1995 has made bilateral relations between the two countries warmer. This is probably the best political gift for the two sides ushering in the new year and a new era. We have not, however, seen reaction to the agreement because the meeting to formulate the drafting of the agreement was conducted in a very secretive manner.

Being secretive about preparations for a bilateral agreement and expecting the majority of people to support it is contradictory, at least politically and psychologically and on a long-term basis. At the same time, people will

say that such a method is "fait accompli" or, in public communications terms: The practice is not in accordance with the atmosphere of openness.

Against the background of the ups-and-downs in relations between the two countries, we must understand the secrecy behind the preparations for the security agreement. Our informal political community has failed to note that relations between Indonesia and Australia were strained when Indonesian-Netherlands relations simmered because there was an impasse over the liberation of Irian Jaya (then West Irian).

Under the New Order government, Indonesian-Australian relations have never ceased to interchange between strained and normal */(formal)/*. Bilateral ties have been influenced by the wide-ranging differences in political and cultural values, and this situation is expected to continue in the next decade.

In Australia, the public perception of Indonesia tends to be more ethnocentric. If the meeting on the agreement had been known to the public beforehand, anti-Indonesia groups there would certainly have become frenzied, and the government, which aims to remain popular, would have had to cancel its action.

Will, however, the signing of the security agreement end all efforts by the anti-Indonesia groups in Australia to tarnish relations between the two countries? Let us wait for the time when the parliament in Canberra debates ratification of the agreement.

This is the uniqueness of the December agreement. The two governments, particularly our government and Prime Minister Paul Keating, see the need to improve the */confidence-building measures/* in the midst of the wide-ranging sociopolitical differences between the two countries. Furthermore, there is practically an extensive anti-Indonesia campaign in Australia that has the potential to strain bilateral relations.

At least, the agreement is regarded as a historical event by Keating, who is inspired not only by his progressive spirit as a */republican/*, but also by his confidence that Australia should continue to progress and show its importance as an Asian country in the Asian region.

Australian politicians are free to form their opinions, and it is not impossible that the future new regime in Canberra will nullify the agreement. In Keating's eyes, the agreement has a high strategic value at the moment.

Indonesia adheres to its principle of a free and active foreign policy. At the same time, it has taken many lessons from past experiences. The *"Mutual Security Agreement"* signed with the United States in 1951 was an example. The then president Sukarno campaigned

for the birth of *"new emerging forces"* and challenged *"Western imperialism"* while others wanted to link Indonesia with the Western *"free world."*

The substance of the Indonesian-Australian agreement is varying, but its implication has not been made clear. One of the main elements of the December agreement is that the two countries will hold consultations on common security interests, and, if it is deemed proper, will consider measures that can be taken either individually or jointly.

'Understanding' of Nigerian Situation Appreciated

BK2912130495 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Dec 95

[FBIS Translated Text] The Nigerian Government has expressed its appreciation to the Indonesian Government for understanding Nigeria's internal situation and hopes that the two countries will undertake wider cooperation.

Special Nigerian Envoy Al Haji Mohammadu Gambo Jimeta held talks with Foreign Minister Ali Alatas in Jakarta today. Speaking to reporters later, he said Indonesia understood and supported Nigeria's efforts to cope with the internal situation.

Regarding the human rights situation in Nigeria, particularly in the wake of the execution of nine human right activists last month, Gambo Jimeta said Nigeria should not be singled out on this issue. The United Nations has condemned the executions, and the Commonwealth has temporarily suspended Nigeria's membership. Gambo Jimeta hoped that Nigeria should not be the only Commonwealth country to be singled out.

Philippines

Ramos Condemns France's Fifth Nuclear Test

BK0201085396 Manila PNA in English 0446 GMT 2 Jan 96

[Received via Internet]

[FBIS Transcribed Text] Manila (PNA) — President Fidel V. Ramos Saturday [30 December] condemned in the strongest terms French explosion of a fifth nuclear device "during a season when the world was commemorating the Birth of the Man of Peace."

In his statement released to the foreign and local media, the president said the Philippine Government will immediately protest "this act of French defiance against worldwide opinion."

The Chief Executive said France's continued conduct of nuclear tests — the fifth taking place last 27 December in the Mururoa Atolls in the French Polynesia

— has severely damaged that country's credibility and cast doubt on its avowed commitment to global disarmament.

The president said the Philippine Government once again calls on France to heed the global outcry against continued nuclear testing and to desist from pursuing its planned future tests.

The president stressed that the Philippines stands firmly behind the resolution adopted by an overwhelming vote by the United Nations General Assembly last 12 December which strongly deplored all current nuclear tests and strongly urged the immediate cessation of all nuclear tests.

"One of the pillars of Philippine foreign policy is firm support of non-proliferation of nuclear weapons in all its aspects, and of nuclear weapons," the president said.

"It is in this spirit that I, together with the leaders of all countries of Southeast Asia, signed on 15 December 1995 in Bangkok, the Treaty on the Southeast Asia Nuclear-Weapons Free Zone."

Ramos Signs P394.8 Billion Budget for 1996

BK0201092096 Manila PNA in English
0447 GMT 2 Jan 96

[From the press review — Received via Internet]

[FBIS Transcribed Excerpt] Manila, Dec. 30 (PNA) — Following are the top stories and excerpts of commentaries in the major English-language Philippine newspapers today: [passage omitted]

JOURNAL — FVR [President Fidel V. Ramos] Signs 1996 National Budget

President Fidel V. Ramos has vowed to keep tight watch on the disbursement of public funds next year after he signed into law yesterday Republic Act 8174, otherwise known as the General Appropriations Act of 1996 worth P [pesos] 394.8 billion. He warned that every peso that goes into graft and corruption will derail the country's economic growth and social development. [passage omitted]

Ramos Vows To Fight Crime, Terrorists, Poverty

BK0201034396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 1 Jan 96

[FBIS Translated Text] The government will intensify its campaign against poverty and crime in 1996. According to President Ramos the campaign will be carried out through the combined forces of the people and the government. The president added that he will implement several reforms on the system of implementation of the law to improve government's capability to fight

criminals and terrorists. He also said that he will exert more efforts to have the PNP [Philippine National Police] Modernization Act, Crime Control Act and several amendments to the DILG [Department of Interior and Local Government]- PNP [Philippine National Police] Law passed as laws.

To suppress the operations of terrorists and several extremist groups, the president promised to improve intelligence gathering by the military and the police, while he will also try to implement the social reforms agenda to fight poverty. In fighting poverty, the president particularly mentioned the improvement of the lives of farmers, fishermen, and the OCW's [overseas contract workers].

Formation of Antiterrorism Committee Ordered

BK0201031396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 1 Jan 96

[FBIS Translated Text] Malacanang has ordered the DILG [Department of Interior and Local Government] to form an action committee on anti-hijacking and anti-terrorism after it learned that terrorists have set President Ramos as their target. The committee headed by Interior Secretary Rafael Alunan was ordered to form a plan for this year immediately. Several documents confiscated from suspected terrorists revealed that the suspects have been monitoring the president's movements. The president also ordered Alunan to ensure the safety of the delegates to the APEC [Asia-Pacific Economic Cooperation] Summit this November.

Ramos Approves Release of 22 'Political Prisoners'

BK0201090896 Manila PNA in English
0446 GMT 2 Jan 96

[Received via Internet]

[FBIS Transcribed Text] Manila (PNA) — President Fidel V. Ramos Saturday [30 December] approved the release of 22 so-called "political prisoners."

The Presidential Committee for the Grant of Bail, Release or Pardon, headed by Justice Secretary Teofisto Guingona, Jr. unanimously recommend the grant of conditional pardon to 21 "political prisoners" and the temporary release on recognizance of one prisoner.

Earlier, the members of the House of Representatives and Non-Governmental Organizations requested the release of the remaining 218 "political prisoners."

Granted conditional pardon by the President were: Timoteo Alabat, Franklin Alcorin, Antonio Amahan, Teodulo Arbuyas, Cristito Cagabab, William Casido, Felix Castillo, Jesus Comaling, Adelo Dasay, Dominador Infante.

Leonilo Jamandron, Elias Lovedioro, Ricky Lugad, Victoriano Malingin, Isagani Manlapid, Rufo Pangilinan, Edwin Pasanjol, Carlos Relativo, Rene Sampiano, Paterno Jacinto and Francisco Palacios.

Granted temporary release on recognizance was Eduardo Bagtas.

Police Arrest Nine 'Suspected Arab Terrorists'

OW3012111595 Tokyo KYODO in English
1104 GMT 30 Dec 95

[FBIS Transcribed Text] Manila, Dec. 30 KYODO — Philippine police intelligence agents arrested nine suspected Arab terrorists with alleged ties to the local Islamic extremist group Abu Sayyaf on Friday [29 December] night but failed to nab the leader Abdurajak Abubakar Janjalani, intelligence sources said Saturday.

One of the nine Arabs arrested, Adel Anonn, who is also known as Adel Bani, is believed to be the brother of Ramzi Yousef, the suspected mastermind of the 1993 bombing of New York's World Trade Center, and the December 1994 bombing of a Japan-bound Philippine Airlines plane that killed a Japanese passenger.

Anonn and five other men arrested in the series of raids in the capital late Friday hold Iraqi passports. Two others hold Saudi Arabian passports, while one is believed to be a Sudanese, according to Interior Secretary Rafael Alunan.

Alunan said among the items seized during the raids were explosive devices, nearly 50 Philippine passports and maps of Metro Manila.

But in an interview, one of the Iraqis arrested, Abdul Kareem Jassim Bidawi, denied he and the others were terrorists or had links with Abu Sayyaf.

He said he operates a recruitment agency in Manila and several of those arrested were at his agency to get assistance in extending their visas when the police swooped down on them.

A ranking intelligence officer, however, said the nine were scheduled to meet Janjalani in the financial district of Makati, but Janjalani did not show up.

Janjalani, 32, alias Cmdr. Abou Sayyaf, is the most wanted man in the Philippines, with a 1.5 million peso (about 58,000 U.S. dollars) reward on his head.

His group is said to have links with Yousef, and is believed responsible for a string of kidnappings, bombings and the pillage on the southern Philippine town of Ipil in April, which killed 53 people and injured 62 others.

Abu Sayyaf Frees 14 Hostages; No Ransom Paid

BK0101112196 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 1 Jan 96

[FBIS Translated Text] The Abu Sayyaf has freed all of the 14 hostages held since 17 December. According to Raphael Alunan III, interior and local governments secretary, the hostages were freed yesterday at 1600 without any ransom being paid. It will be recalled that the hostages were abducted at Lake Sebu, South Cotabato, while holding a reunion party.

President Ramos commended Alunan, Philippine National Police Chief Recaredo Sarmiento, and General Santos City Mayor Rosalita Nunez for the peaceful conclusion of the incident.

Police Arrest 6 Suspected Ramzi Yusuf 'Allies'

BK0201105896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 2 Jan 96

[FBIS Translated Text] Six more suspected foreign terrorists were presented to the media at noon today. According to Secretary Rafael Alunan III of the Department of Interior and Local Government [DILG], the six are allies of the international terrorist Ramzi Ahmad Yusuf. The six are believed to be linked to an assassination plot against Pope John Paul II and President Fidel Ramos.

Meanwhile, Defense Secretary Renato De Villa said that threats against the president's life should not affect his daily activities.

Let us listen to a live report from our correspondent Jessica Soho. Jessica, come in.

[Begin live relay] Those arrested were presented to the media this morning and were identified as (Raza Begam Hashmi), Kazi Parvez Khalid, Mian Basit Mahmud, Mohammad Alam, Mohammad Anis, and (Mian Idress Mahmud). All of them hold Pakistani passports, but according to DILG Secretary Rafael Alunan, it cannot be determined yet whether they are really Pakistanis or have different nationalities. The six were arrested in a raid in Makati. Confiscated from the suspects were several arms and explosives and other devices used to make strong explosives. According to PNP [Philippine National Police] Chief Ricaredo Sarmiento, they will file charges of illegal possession of explosives and firearms against the suspects.

Thirty-five suspected terrorists have been arrested by the PNP since it started its campaign against terrorists. There are reports that these terrorists are part of the group that bombed the World Trade Center in New York and a Philippine Airlines plane bound for Japan.

and attempted to assassinate Pope John Paul II when he visited the Philippines. There are also reports that the group targeted President Ramos, AFP [Armed Forces of the Philippines] Chief General Arturo Enrile, and PNP Director General Ricaredo Sarmiento. There are also reports that they have plotted against the upcoming APEC [Asia-Pacific Economic Cooperation] conference. According to Secretary Alunan, there is no evidence to substantiate these reports. The PNP also theorizes that the suspected terrorists planned to coordinate with the Abu Sayyaf group.

That is the latest news from Camp Crame [police headquarters]. This is Jessica Soho reporting. [end relay]

One Terrorist Linked to Bombing

BK0301014996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 2 Jan 96

[FBIS Translated Text] The six more suspected terrorists arrested in separate raids in Makati were presented to the media yesterday. One of the suspects is alleged to be a close associate of Ramzi Ahmad Yusuf, an international terrorist. Mohammad Anis is also linked to the bombing of Philippine Airlines and the assassination plot against Pope John Paul II when he visited Manila last year. According to some informants of GMA BALITA [NEWS], the terrorists selected the Philippines to spread violence to avenge the arrest of Yusuf.

[Begin Interior Secretary Rafael Alunan recording in progress, in English] ... this is a growing extremist (streak) in the revival of Islam worldwide which means to wage a global jihad for the purpose of reestablishing the old Islamic empire with these crusades. And this fervor has (woven) itself into various violent movements...[end recording]

Ramos Says MNLF Conflict 95 Percent Solved

*BK0101074996 Manila PNA in English
1533 GMT 29 Dec 95*

[Received via Internet]

[FBIS Transcribed Excerpt] Manila (PNA) — [passage omitted] President Fidel V. Ramos deemed the Moro National Liberation Front [MNLF] conflict 95 percent solved, with the issue of autonomy standing as the lone stumbling block to the realization of peace in Mindanao.

In an exclusive interview with ZNN Veritas radio station to be aired on Saturday (December 30), the president also called upon the MNLF and its breakaway Moro Islamic Liberation Front [MILF] to get together and agree on a single panel to represent both groups in the final stages of negotiations for a peaceful settlement of the Mindanao conflict.

The government will talk with that one panel which the MNLF and MILF will choose to represent them, the president said in the interview with Tita de Villa and Melo Acuna of the program Balitang-Balita [Hot News] of ZNN Veritas.

On other issues, the president said:

— "We have kept the door open for negotiations with the National Democratic Front-Communist Party of the Philippines so that an enduring and honorable political settlement could be reached."

— The general agreement on peace with the Rebolusy-onaryong Alyansang Makabansa [Revolutionary Nationalist Alliance] and other military rebel groups was signed last October. "The only thing remaining is the step-by-step implementation of the agreement," the president said, including the amnesty aspect and the turnover of firearms.

The president also said the postponement of the elections in the Autonomous Region in Muslim Mindanao to September 1996 is expected to provide an opportunity for the MNLF and the MILF to participate in the political exercise.

"That is an option reserved for the consideration of the MNLF if they want to participate in that election," the president said. "Our Local Government Units and the ARMM [Autonomous Region for Muslim Mindanao] have been instructed by me to keep talking and dialoguing with the MILF," the president said. [passage omitted]

Defense Secretary: Communist Strength Waning

BK0201112896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 2 Jan 95

[FBIS Translated Text] Defense Secretary Renato De Villa has revealed that the strength of the communists has continued to wane over the past 10 years. He added that the number of villages throughout the country affected by communist activities continues to decline, as does the number of active members of the CPP [Communist Party of the Philippines]-NPA [New People's Army].

On the other hand, the fanatic Muslim forces continue to grow in the southern part of the Philippines. In 1995, the combined forces of the MNLF [Moro National Liberation Front] and MILF [Moro Islamic Liberation Front] grew by 11 percent. The Abu Sayyaf bandit group increased its members by 12 percent in the past year. An unknown group in Mindanao is also increasing its members.

Thailand

Wattana Denies Drugs Claims, Seeks U.S. Visa

LD3012110795 Melbourne Radio Australia
in English 0900 GMT 30 Dec 95

[FBIS Transcribed Text] The deputy leader of the Thailand's ruling Chart Thai Party has issued a detailed rebuttal of drugs allegations barring him from entering the United States. It is the first time many of the claims have been made public, and include the names of alleged contacts to drug warlord Khun Sa, heroin purchases, and hotel deals. Evan Williams reports the veteran political power broker is hoping the rebuttal will revive his bid for the powerful Interior Ministry portfolio:

[Williams] Wattana Atsawahem was refused a U.S. visa on strong suspicion of links to heroin trafficking. It damaged the incoming government, forcing the prime minister to delay giving one of his most powerful party backers a key government post. A government panel obtained more details and, in a bid to clear the way for the post, Wattana has issued a detailed 11-point response to the claims. He denies knowing identified Khun Sa contacts, explains large transactions as innocent deals or impossible, and refuses to explain specific claims of heroin purchases as too vague to answer. It is unlikely to be enough for the U.S. State Department to lift the ban, but the prime minister has to offer Wattana something or risk a damaging split in his own party amid turmoil with other coalition partners.

Evan Williams, Bangkok.

Response to Accusations Detailed

BK3012100895 Bangkok BANGKOK POST
in English 30 Dec 95 p 3

["Response" from Wattana Atsawahem, Chat Thai Party deputy leader, to "accusations" made by the U.S. Drug Enforcement Administration; place and date not given]

[FBIS Transcribed Text] 1. Accusation: The name "Wattana" was linked to two of Khun Sa's drug traffickers, She Yui Fa and Yang Sui Ha. The first one was arrested in Hong Kong last year and sent to the US.

Response: "I never knew or saw the two persons."

2. In 1982, Mr Wattana was involved in narcotics smuggling.

"The accusation is so vague no explanation can be given."

3. In 1985, Mr Wattana paid US\$1.5 million for a quantity of narcotic drugs.

"As far as I can remember, in 1985 I invested in the Northern Resources Co to dig for antimony in Mae Tha district, Lamphun. The antimony first cost 80,000 baht/ton. The price later dropped to 10,000 baht/ton while the production cost was about 20,000 baht/ton.

"How could I pay \$1.5 million during that time? Check my financial status with any banks where I am a client."

4. In 1987, Mr Wattana bought 21 kg of heroin from Chiang Rai.

The claim is so vague he can give no explanation.

5. In 1991, Mr Wattana was a co-investor in narcotic trade and the drugs were seized. Mr Wattana was involved in trafficking narcotics in the Northeast.

During Aug 1988-Feb 1991 Mr Wattana was deputy interior minister, and during March-May 1992 he was attached to the Prime Minister's Office. After the Feb 23, 1991 coup, he was one of the ministers whose assets were seized by the National Peace-keeping Council [NPKC]. If the claims were true "the NPKC would have taken drastic action against me".

6. During 1989-93, Mr Wattana was a member of a narcotics trafficking group led by "Mr Aphichit". Mr Wattana also used his influence to protect narcotics traders in Hat Yai.

Mr Wattana denies knowing "Mr Aphichit" and says he spent a long time trying to find out the man's identity.

Mr Wattana suspects the name "Aphichit" might have come from a policeman (name withheld). The officer prepared reports on narcotics trading that were sent to US authorities. One report claimed Mr Aphichit, alias Lek Satun, was involved in narcotics trading in the South. Mr Aphichit was later arrested in connection with an alleged plot to assassinate Supreme Court President Praman Chansu.

Mr Wattana says he does not know how he was linked to Mr Aphichit or how he could use his influence to protect a drug smuggler in Hat Yai.

7. In 1991, a group of Khun Sa's men bought 80-100 units of heroin and sent it to Mr Wattana's younger brother. The heroin was later sent to the US.

"I have two younger brothers. Somphon Atsawahem has been a member of parliament since 1988. Amon Atsawahem is a director of the Port Authority of Thailand. The accusation is very vague and, again, I cannot explain it."

8. In May 1994, Mr Wattana was involved in trade of contraband and fuel for production of narcotics. Mr

Wathana assigned two other persons to act for him and also bought Wang Mai Hotel in Satun for this purpose.

Mr Wathana says he does not know about "fuel for production of narcotics". If it is a chemical used in the oil business, it is an additive. His company bought the additive from B.R.S. Inter-trade Ltd Partnership.

An article in NAEON newspaper once suggested chemical solutions used in producing drugs might have been smuggled into the country in oil tankers. The article might have caused a misunderstanding, he says.

He had nothing to do with the hotel, which was bought by Bun Wannasin.

9. In November 1994, Shen Yui Fa sold a hotel in Mae Sai to Mr Wathana and a Mr Mongkhon was the middleman.

Mr Wathana says he bought the Mae Sai Golden Shopping Plaza Project.

"If the accusation was true, Shen Yui Fa might be the same person as Suphachai Tangkitphithakphon from whom I bought the project. But I bought it on March 29, 1994, not in May 1994."

"I have never seen Mr Suphachai in person. I learned only later that while the purchase was in process, Mr Suphachai was jailed in Hong Kong."

Mr Wathana says Mr Mongkhon — or Mongkhon Chongsuthamani — had nothing to do with the purchase of the project.

"The purchase was not money laundering."

10. In early 1995, Mr Wathana invested in a hotel in Chiang Rai, which was bought from Thanong Siriprichaphong. The hotel had been used for illegal activities.

"I did not buy a hotel, either from Mr Thanong or anyone else, in early 1995."

He was about to buy the Little Duck Hotel from Mr Thanong in 1994, not early this year. There was no deal owing to a price disagreement.

11. In March 1996, Yang Sue Hua, one of 10 persons arrested in Operation Tigertrap, claimed he would never be extradited to the US because, if he was, he would expose Mr Wathana and Mr Narong (Wangwan).

Mr Wathana says it is obvious the accusation stemmed from reports in Thai newspapers because, during March this year, both Mr Wathana and Mr Narong were accused of fighting to become interior minister.

"The 10 including Yang Sue Hua are still detained in Thailand. They are still under trial. The US may

ask the government to question Yang Sue Hua to get information on whether Mr Narong and myself were involved."

Thanong Extradition 'Warning' to Politicians

BK2912035795 Bangkok BANGKOK POST
in English 29 Dec 95 p 4

[Editorial: "Thanong's Case Serves as a Convincing Lesson"]

[FBIS Transcribed Text] The decision by Appeals Court judges to clear the way for the extradition to the United States of former Chat Thai MP Thanong Siriprichaphong is to be welcomed. The precedent-setting decision, the judges made clear, does not constitute a verdict of guilt: it is up to Mr. Thanong and his lawyers to fight that particular battle in the American courts.

Prime Minister Banhan Sinlapa-acha, as leader of an unruly Chat Thai Party, is to be congratulated for being quick to state that his Government will abide by the ruling and that it does not consider the case worthy of further consideration by the Cabinet. Given the 1929 extradition treaty with America, there was very little else Mr. Banhan could do. But it was nice of him to say so.

So a messy and unpleasant affair, yet again involving politicians, appears to have been settled and for this we can all give thanks. Thailand has honoured its commitment to the United States, in so doing serving a warning to others who think their political status can protect them from prosecution.

But it seems that some people need more convincing, and we have to look again at Chat Thai and the behaviour of some of its senior figures. The visa problems of Narong Wongwan, who failed to be returned in the last election, and Wathana Atsawahem, who was re-elected in Samut Prakan, are by now legend. But just to recap, America has barred them because it alleges they too were involved in drugs trafficking.

Confronted with such a charge from such a determined American administration, it might have been reasonable to expect two such veteran politicians to take a low profile and consider Mr. Thanong's predicament. But no, they would have none of it, and through their cohorts have campaigned relentlessly for cabinet positions for which they appear uniquely unqualified.

Questions of outside interference in political affairs could, to a degree, be justified but what emerges from their campaign is a disregard for the political health of a country which is viewed in some Chat Thai quarters as their freedom.

It is staggering Mr. Narong and Mr. Watthana should persist with their ministerial ambitions at a time when the Government is acknowledging reluctantly that it has image problems. The prospect of a Thai cabinet including ministers who cannot even set foot in the United States is not edifying.

For all his bluster, Thanat Khoman, who led the government-appointed panel looking into the allegations, had a point when he insisted Washington should produce evidence to support its allegations against Mr. Narong and Mr. Watthana. Indeed, in the context of the Thanong case, it is puzzling that America's action was limited to a refusal to issue visas.

Perhaps the State Department felt the visa ban would be a sufficient rap on the knuckles. Possibly the State Department should have embarked on a course of action that would be more — how should we put it — convincing.

Alas, Dr. Thanat is leaving the panel and taking with him an entertaining episode in what was otherwise a tediously shabby exercise in tilting at one of the world's biggest windmills. But the panel marches on and is to send representatives to America with a mission to establish the facts behind the allegations, with the assistance of the Foreign Ministry. So great appears the Government's desire to get to the truth that Washington could do us all a favour and spill the beans.

Going by past performance, Washington has scarcely restrained itself in the face of what it considers obstinate foreigners. The drug-running General Manuel Noriega of Panama found himself behind bars in Miami after being ghetto-blasted from his refuge. America's efforts to eradicate Colombia's cocaine production were determined if a failure.

If Mr. Narong and Mr. Watthana persist in entertaining the lofty notion that they may one day occupy seats in the Cabinet, they might just deserve the supporting evidence for which they have expressed such interest. Certainly, the arrival of such evidence might bring them back to earth and serve as a convincing warning to others. **THIS REPORT MAY CONTAIN COPYRIGHTED MATERIAL. COPYING AND DISSEMINATION IS PROHIBITED WITHOUT PERMISSION OF THE COPYRIGHT OWNERS.**

More Incidents at Thai-Burmese Border in Tak

BK0101142196 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 31 Dec 95

[FBIS Translated Text] According to our correspondent's report, a group of 20 border patrol policemen was ambushed yesterday by armed men possibly belonged to

the Democratic Karen Buddhist Army stationed near the Thai-Burmese border in Tha Song Yang District, Tak Province. The Thai policemen, attached to the 344th Company in Tha Song Yang District, were ambushed when they were patrolling the border area in Ban Pang Yang, Tambon Mae Ban, Tha Song Yang District, Tak Province.

The foreign forces opened fire on Thai policemen from a camp on bank of the Moei River inside Burma using rifles, M79 grenades, and RPG rockets. The exchange of gunfire continued for about an hour. Thai policemen lost one pickup truck; there were no deaths or injuries. Four foreign soldiers were killed and several wounded. Reinforcements have been sent to the area by the Border Patrol Police and the 4th Infantry Division's Task Force to oversee the foreigners' movements.

According to a military source evaluation, it is believed that the attack was motivated by a conflict of interest between business and log poaching groups and foreign forces in the border area who are unhappy with the strict measures imposed by Thailand's border patrol police following a ban on the cross-border transportation of illegally felled logs from Burma into Thailand.

Meanwhile, there has been no report on the release of Pricha Panyasupphatho, abducted by the Karen Buddhist soldiers who plundered the Thai-Karen village of Thi Takobi in Tambon Mae Song, Tha Song Yang District, on 27 December.

Three Fishermen Freed by Malaysia Return Home

BK3012131895 Bangkok BANGKOK POST in English 30 Dec 95 p 3

[Unattributed Report]

[FBIS Transcribed Text] Nakhon Si Thammarat — Three Thai fishermen detained in Malaysia since early last month for trespassing in its territorial waters have returned home after being released on Thursday.

Pramot Petthong, 53, Udom Thawimuang, 25, and Somsak Munchai, 39, all crew members of the To Laksana 14, arrived in Pak Phanang District yesterday morning.

Representatives of the Pak Phanang District Fisheries Association reportedly picked the three men up in Hat Yai on Thursday night.

They were among five Thai crewmen on board the trawler after it was shot at by a Malaysian naval boat on November 6. The skipper and his 14-year old son died instantly, and three other members of the crew were jailed.

The three men were sentenced to a four-month jail term by a Malaysian court on charges of illegal entry. They were released at the request of the Thai Government at a meeting of Thai and Malaysian leaders during the recent ASEAN summit in Bangkok.

Prathuang Thippayamat, chairman of the Pak Phanang District Fisheries Association said the release pointed to the success of the Government in complying with requests from fisheries associations in southern provinces.

The fishing operators earlier made five demands: the return of the bodies of the two Thais, the setting up of a joint committee to devise measures concerning the territorial waters of the two countries, the release of the three Thai fishermen, the return of the seized vessel, and compensation for the family of the skipper.

The first three points had been dealt with, Mr Prathuang said, adding that the Fisheries Association of Thailand would liaise with other agencies concerned to push for the final two demands.

Mr Wira Laksana, owner of the To Laksana 14, said the Government should take further steps to get the vessel returned.

The Fisheries Association of Thailand would go to court for compensation for the skipper's family, Mr Wira said.

To a suggestion that the Government planned to explore a joint fisheries venture with Malaysia, Mr Wira said that would be impossible because of the complexity of Malaysian regulations.

But it would be easy for Thailand to invest in a joint venture with Indonesia as there were about 1,000 Thai trawlers which had made fisheries contracts with that country, he said.

Commenting on the move by Pak Phanang fishermen to demand that the Government speedily settle fisheries disputes with Malaysia, Mr Prakit Thepchana, governor of Nakhon Si Thammarat said the fishermen had "followed the democratic path" in the way they aired their grievances, which were responded to by the Government. — Crewmen from two trawlers seized by Malaysia on Monday will appear in Kedah State Court charged with fishing in Malaysian waters.

Thai officials visited the 15 fishermen, detained on the 4th floor of Langkawi police station, where police chief Pol Col [Police Colonel] Samsudin said they face up to six months in jail or a fine.

Two of the crewmen, identified only Surin and Wichit, told Thai officials they had admitted trespassing in Malaysian waters.

Defense Ministry Unveils Satellite Plan

BK0301080696 Bangkok THE NATION in English
3 Jan 96 p B1

[Report by the Telecom Team]

[FBIS Transcribed Text] The Defence Ministry has unveiled its plan to launch military satellites, with British Aerospace (BAe) in partnership with Marconi tipped to become the equipment and technology supplier.

The satellites can provide services before the monopoly protection of Chinnawat's Thaicom contract expires.

In an exclusive interview with THE NATION, Air Marshal Wira Kanhasiri, director-general of Defense Technology and Telecommunication Centre, said the Supreme Command Headquarters is preparing to explain to the armed forces and the public the country's need for the satellites.

"In January we will release a project document to the armed forces and later to the people. It's better not to keep the project in the dark anymore because people will get it wrong," he said.

The satellite plan, supported by the British government, was started about two years ago after the two countries signed a memorandum of understanding on military sales — a practice that the Thai government has also followed with many countries, he said.

Officers of British Aerospace and Matra Marconi Space were sent to help draw up the satellite project, 'Star of Siam'. The Supreme Command Headquarters established the Defense Technology and Telecommunications Centre in September last year to execute the project.

The planned Bt26 billion budget has become the subject of criticism and might impede the military's attempt to have its own satellite communications system. Wira said the investment will be divided over 10 years and will cover all expenses, including the workforce, not only facilities and equipment as some might have understood.

"It looks expensive, but in fact it is minimal each year compared with what the military will get and the country will save. We have looked into the cost benefits and found that doing nothing now will cost more money," said Wira, declining to disclose details of the financial analysis.

About Bt5 billion will be for satellite construction, its launch and insurance fees. The earth station to control the satellites and services will cost about half the total budget, according to Wira.

Gen Chawalit Yongchaiyut, defence minister, said last week in a year end interview that he would set up a satellite defence system, "without using a single baht from the budget of the armed forces or the government."

Either with or without an attempt to play down objections, Chawalit's interview still did not make the project clear. If the Cabinet approves the satellite scheme this year, the centre plans to seek a budget allocation, starting next year.

The purpose of the satellite is another unclear area ever since Gen Chawalit Yongchaiyut, defence minister, gave a hint about the project. Due to the satellites' Ku-band channels, they are capable of giving services for commercial use with the same capability as Thaicom-3 due for launch later this year.

But the director-general insists, "The military satellites will serve only military purposes."

How can the new satellites find orbital slots in the crowded Asian skies? Wira said his team has met representatives of Transport and Communications Ministry and Post and Telegraph Department several times.

"They said if the project is approved by the government, the orbital positions are not a problem," he said.

Matra Marconi Space [MMS] is one of only two groups of companies in the world which have both complete space and ground equipment. MMS's spacecraft products include the satellite, central communications earth station and a range of fixed and transportable earth terminals, according to MMS.

Wira said the centre will work out plans with British Aerospace and MMS because of their long-term relationship and their expertise in military satellite communications.

"We know many people including other military fellows are yet to understand the project. British Aerospace and Marconi have helped us for about two years. Whoever contacts us for participation in the project will also have to talk to the British government," said Wira.

Prime Minister Addresses Nation on New Year

*BK0201023696 Bangkok BANGKOK POST
in English 2 Jan 95 p 1*

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha vowed the government will administer the country honestly and use all its abilities to fulfill its election pledges in his New Year address to the nation.

Mr. Banhan urged the people to join forces with his government in striving for economic and social

development and political reform "which is pure and just".

He also called for full public participation in all activities to demonstrate loyalty to His Majesty the King.

"As far as the government is concerned, 1996 is the national golden year because this will be the year of the celebration of His Majesty's 50th Anniversary of Ascension to the Throne," he said.

He pleaded with the Thai people to make 1996 "a golden year, a year to commit good deeds, a year of hope and a year of success."

Mr. Banhan added: "Myself and the Cabinet take this opportunity to make a pledge that the government will devote its wisdom, intelligence and ability alongside the people to strive for the implementation of policy this golden year and will also adhere to the principle of honesty."

The Prime Minister admitted his government had faced a number of constraints.

He said it had encountered several problems and challenges straight after the July election which needed to be addressed quickly.

He cited a number of issues including the hosting of the ASEAN Summit, the flood problem and pending mass transit projects.

He said it was very fortunate for Thailand that during the flooding His Majesty had made several suggestions to solve the problem in the short and long term.

Mr. Banhan said his government would follow His Majesty's suggestions, especially to divert water from the western and eastern suburbs of Bangkok into the Gulf through the digging of sumps, building of pumping stations and dredging of klongs.

He also said the government had tried to improve and develop infrastructure projects such as telecommunications and roads.

Construction of the underground system and the pending expressway project between Chaeng Watthana and Bang Sai would begin this year and would be completed in the next 3-5 years.

Thailand, he said, has to prepare itself for competition in the global economy which is becoming more and more open and liberal.

He said he had instructed the National Economic and Social Development Board to keep inflation and the current account deficit at a manageable level.

Amnuai Given Powers Over Finance Ministry

BK0301041396 Bangkok THE NATION in English
3 Jan 96 pp A1,A2

[Report by Pridaphon Tinsakun]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha has issued a PM's [Prime Minister's] Office order extending Deputy Prime Minister Amnuai Wirawan's supervisory power to cover the Finance Ministry, a source close to the premier said yesterday.

The New Year's top-level directive comes amid growing pressure on Banhan to reshuffle the Cabinet.

The order, which in effect puts Finance Minister Surakiat Sathianthai's conduct under Amnuai, was signed on Dec 29 — five days after Surakiat forced the resignation of Ekkamon Khirawat as secretary-general of the Securities and Exchange Commission and sacked him as a central bank deputy governor.

The dismissal has led to widespread criticism of Surakiat because he failed to produce evidence that Ekkamon had leaked state secrets as alleged.

Whatever evidence there may be was also believed to have been uncovered through illegal phone tapping, but the finance minister refused to confirm whether that method was used and who had issued the investigation order.

Surakiat was appointed finance minister as a non-MP under the Chat Thai Party quota. Amnuai, a former executive chairman of Bangkok Bank, is the leader of the Nam Thai Party. He has also served as permanent secretary for finance.

Senior Chat Thai MPs, most of whom have been anticipating some form of Cabinet reshuffle, could not be reached yesterday for comment on Banhan's directive.

But the move is highly significant in view of the importance of the Finance Ministry, which controls the national budget and plans to issue five new local bank licences shortly.

Banhan has come under pressure from members of his own party to reshuffle the Cabinet. Last week, Watthana Atsawahem, Chat Thai's deputy leader who did not take a Cabinet post due to US allegations linking him to the drug trade, produced a document proclaiming his innocence.

Watthana wants the interior minister post concurrently held by Banhan as a buffer between various factions in his party.

Banhan earlier gave Amnuai the economic affairs supervisory role, excluding the Finance Ministry. The deputy prime minister had also worked closely with Banhan at the APEC [Asia-Pacific Economic Cooperation] leaders' summit in Osaka in November and the ASEAN summit last month in Bangkok.

In a separate briefing last week, Amnuai expressed his concern over the current account deficit and inflation figures, which showed signs of deteriorating last year.

"We must work on reducing the current account deficit and inflation. The problems arose from rapid expansion and high spending," he said.

He called for cooperation between the private and public sectors as he did not wish to see an economic slowdown as a means of dealing with the two problems. "We must move cautiously," he said.

Amnuai said if the problems were caused by higher oil prices, for example, then it would be an external matter beyond the control of the government. But if they were the result of monopolies or the lack of coordination between government policies, then such aspects must be tackled.

He asserted the need to conduct fiscal policy in 1996 with utmost care, despite the expected budget surplus. High government spending could lead to loan obligations for years to come.

"We have to consider whether the spending would lead to investment and demand beyond the capability of the country to supply, with an impact on the current account deficit and inflation," he said.

Thailand's current account deficit is expected to be more than 7 per cent of the gross domestic product (GDP) this year. Inflation will be slightly above 5 per cent.

Amnuai admitted that 1996 would probably see slightly slower growth in the economy, down from last year's 8.5 per cent to 8.3 per cent.

He also said the government should work on dismantling barriers to foreign investment in the stock market.

Views Key to Economic Success

BK0301043296 Bangkok BANGKOK POST
in English 3 Jan 96 p 9

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] Long-term planning and unity in action among government agencies are crucial to solving Thailand's economic problems, according to Deputy Prime Minister Amnuai Wirawan.

Problems have not been dealt with as efficiently as they should be due to a lack of coordination between departments. As well, policies have been carried out in a disjointed manner, he said.

Working committees must be restructured. Currently, the work of several committees is supervised independently by the ministries concerned, Mr. Amnuai said, arguing that as a result, the concerns of other parties are often neglected.

Also, too many committees do not take a long-term approach when deciding policies on issues such as agricultural pricing and production.

Players such as the Ministry of Commerce and the Ministry of Agriculture and Agricultural Cooperatives are involved with this issue. But since inflation is a factor in the equation, the Finance Ministry and the central bank should also be involved in discussions, Mr. Amnuai suggested.

To counter inflation in the agricultural sector, fiscal policies must be implemented at the same time as actions are taken to boost farm productivity. A production boost combined with trade liberalisation measures would further push food prices down.

Mr. Amnuai also discussed the Bank of Thailand's policy of maintaining high local interest rates, saying it would hurt the local business community in the long run.

He said Thailand must work hard to expand its revenue base from tourism. Although the country earns more money from tourism each year, its surplus in the sector has declined from 70 billion baht to 30 billion baht over the past four years.

This year, Thailand should earn about 170 billion baht from tourism. However, Thais are expected to spend 150 billion baht overseas, up from 120 billion baht in 1995.

Therefore, fiscal policies should be adopted to entice people to buy goods locally rather than abroad. As well taxes on certain goods should be cut if they cannot be produced here. If they are strategic products, incentives should be adopted so the goods will be manufactured in Thailand, Mr. Amnuai said.

A proposal to make Phuket an international tax-free zone will be discussed by the Cabinet this month.

At the same time, a consulting firm is undertaking a viability study on the establishment of an electronic manufacturing centre in Khon Kaen. The city already has the Nam Phong airport, built during the Vietnam War.

Mr. Amnuai said an office to coordinate international economic policies will be set up this year. Meanwhile, regulations governing the Office of the Prime Minister have been amended to broaden the scope of operations of the international economic committee.

Deputy Army Chief Against Disbanding of ISOC

*BK3012163595 Bangkok THAILAND TIMES
in English 30 Dec 95 p A1*

[Report by Benchamat Chunwarathayi]

[FBIS Transcribed Text] Bangkok — Deputy Army chief Chettha Thanacharo raises his objections to a proposal by certain politicians that the Internal Security Operations Command [ISOC] should cease its operations, as its main function fighting Communists, is no longer necessary.

"The fight against communist insurgents did not stop when we won the armed struggle. That victory is only the first stage," Gen Chettha told the THAILAND TIMES.

Recently a number of politicians have criticized the Command, describing it as redundant, as there are no longer any communist insurgents to fight. Its critics argue that the budget used to maintain the Command is a waste of valuable funds.

But Chettha, who was commander of a regiment responsible for battling communists, maintains that the Command still has a role to fulfill, in carrying out strategies to fight communism, and prevent the outbreak of armed conflict.

In the current era of information technology, with its quick and easy access to information worldwide, it is vital that all Command officials, whether civil servants, police, soldiers, or regular employees, develop their skills to catch up with present events, Chettha said.

While the Command was successful in its implementation of the policies and measures required in the past, the many changes since that time mean that the Command must adjust its policies in line with new requirements, the general said.

Chettha pointed out that ISOC, as well as fighting communist insurgents, was also responsible for domestic security.

Whether or not it will continue in this role, Chettha said, depends upon whether its officials develop themselves to catch up with current events.

In the past, the Internal Security Operation Command's fight against communist insurgents meant it was a

very important organization, well-known to government officials and the public alike.

"The ISOC struggled against many obstacles, and has gained great experience and patience in the process," Chettha said.

Due to the Command's efforts, Chettha said, Thailand was not occupied by communist forces. Despite predictions to the contrary, which said that a domino effect would mean that after Laos, Vietnam, Myanmar [Burma] and Cambodia converted to communist administrations, Thailand would succumb, Thailand has remained a democracy.

Since that time, Chettha continued, the country has seen great events, and the large communist countries, such as the Soviet Union, have fallen.

As Thailand achieved increasing stability, the importance of the Internal Security Operation Command has gradually faded in the public's minds.

Internal Security Operation Command was established on December 17, 1965, and at 30 years of age, can be seen as senior to many government agencies, Chettha added.

Vietnam

Deputy Trade Minister Interviewed on ASEAN

BK0301010996 Ho Chi Minh City THOI BAO KINH
TE SAIGON in Vietnamese 7-13 Dec 95 p 8

[Interview with Vietnamese Deputy Trade Minister Mai Van Dau by Phuc Tien; place and date not given]

[FBIS Translated Text] [TBKTSG] In what direction is Vietnam heading in trade relations by joining ASEAN?

[Mai Van Dau] I think that the ASEAN conferences in Bangkok this time take place against the background of a new system of international trade that is in the process of stabilizing. All trade activities are being globalized. ASEAN countries stand out as the most dynamic in this system, with great potential and fast growth rates. APEC [Asia-Pacific Economic Cooperation] itself is trying to put economic cooperation into effect in the Asia Pacific region.

Investment by industrialized nations in ASEAN has become increasingly active, and the transfer of high technologies is the most salient feature. Vietnam benefits from these advantages by becoming an ASEAN member. For instance, Vietnam can import good quality supplies and materials from ASEAN, not only for production activities but also for export. As an ASEAN member, Vietnam enjoys the privileged GSP [Generalized System of Preferences] status in exporting goods to the

EU, the United States, and other countries (which entitles the use of ASEAN material at the rate of 40 percent, instead of the former requirement that 60 percent of material be produced in Vietnam) [sentence as published]. This privilege will bring new opportunities to garment, textile, leather product, and electronic assembling industries.

[TBKTSG] What types of goods will ASEAN countries import from us that will be more profitable than if they import them from elsewhere?

[Mai Van Dau] Vietnam has strong potential in producing steel products, metallurgy, rubber, crude oil, and cement. Vietnam needs to consolidate these strengths in order to supply the goods that ASEAN countries need.

[TBKTSG] What is the significance of the ASEAN market in Vietnam's new external economic strategies?

[Mai Van Dau] Before joining ASEAN, the rate of Vietnam's trade turnover with the ASEAN countries was 29-30 percent, while trade turnover with all of the Asia Pacific region was 75-80 percent as compared with Vietnam's total import-export value. That is a relatively significant rate, which will rise even higher when Vietnam joins ASEAN. In my opinion, the ASEAN market is like a safety valve, a favorable next-door market to Vietnam. It is a market with important and long-term orders, with convenient and safe communications, transportation, and service facilities at the same time.

I think that interdependence among ASEAN will help ASEAN countries to be less dependent on other trading sources and other countries. For example, Vietnam and other ASEAN countries used to suffer from cement and steel crises. Now we can cooperate in production and coordination of product flows.

Moreover, cooperation in ASEAN also helps to increase production competence and economic management. Being members of an important economic bloc, Vietnam and other ASEAN countries will enjoy a better position in international negotiations.

By joining ASEAN, the government is creating a new opportunity and new operational mechanism for our businesses. I wish that businessmen would effectively grab this opportunity. Economic activity practices will help to refine our adjustment to the new business environment.

[TBKTSG] As the person involved in the plan to cut tariffs for ASEAN imported goods from 1996, when do you think the program will be approved by ASEAN? When will the government make the plan public?

[Mai Van Dau] We forwarded the plan to the ASEAN Secretariat in late November. The approval will proba-

bly come without too much difficulty. The government will announce the plan in December.

[TBKTSG] On what ASEAN good items do you think the government will cut the tax?

[Mai Van Dau] The government plans to apply the tax rates of 0-5 percent for material for production. In fact, we are already using this rate. In addition to the tax rate, import procedures and tax declarations will also be adjusted accordingly.

[TBKTSG] Does the government put aside some "sensitive" domestic product items that need protection?

[Mai Van Dau] We are still discussing this. The announcement regarding "sensitive" items will take place after the ASEAN conferences in Bangkok.

[TBKTSG] Is rice considered a "sensitive" good? What is your view on protection of Vietnamese goods during the integration into ASEAN?

[Mai Van Dau] I think that, first of all, rice and agriculture products need to be protected because Vietnam is still an agriculture country at present. We should not think, however, that protection is maintaining the status quo; rather, it is a gradual adjustment for us to conform with usual business and cooperation practices in ASEAN for the sake of long-term interests. There should not be protection only, but protection should be combined with developmental needs.

[TBKTSG] Is Vietnam's rice presently considered an essential commodity that ASEAN needs and relies on as a rice source in addition to Thailand's?

[Mai Van Dau] Yes, ASEAN will mainly import rice from Vietnam and Thailand. Philippines recently bought 63,000 tonnes from us. I have just signed a document to sell 150,000 tonnes of rice to the Philippines next year. The price of our rice is still considered "soft."

[TBKTSG] Do you expect that the ASEAN Conference in Bangkok will initiate any changes in the process to establish AFTA [ASEAN Free Trade Area]?

[Mai Van Dau] There will be opinions calling for more speed, as at the recent Brunei conference. I think, however, that the old plan will not be changed. For Vietnam, it still is 2006, while for other countries the target is 2003, the timeframe for completing the establishment of AFTA.

Deputy Prime Minister Meets Cambodian Delegation

*BK3112092095 Hanoi VNA in English
1516 GMT 30 Dec 95*

[FBIS Transcribed Text] Hanoi VNA Dec. 30—Deputy Prime Minister Nguyen Khanh received here today a delegation of the Cambodian Ministry for Social Action and Veterans Affairs led by Secretary of State Suy Sem, now on a working visit to Vietnam.

Minister of Labour, War Invalids and Social Affairs Tran Dinh Hoan was also present at the reception.

Secretary of State Suy Sem informed Deputy P.M. Khanh of the results of his delegation's working visit during which they delegation held talks and had working sessions with senior officials of the Ministry of Labour, War Invalids and Social Affairs, the Vietnam War Veterans' Association and [word indistinct] a number of economic establishments. At their talks, the two sides agreed to promote the bilateral cooperation such as exchange of information and experiences and visits of cadres. Speaking to his guests, Deputy P.M. Khanh said that the two countries have many similarities in the field of labour and social affairs so the two ministries would further cooperate with each other.

Party Leader Receives Argentine Counterpart

*BK3112092595 Hanoi Voice of Vietnam in English
1000 GMT 27 Dec 95*

[FBIS Transcribed Text] Vietnam highly appreciates the assistance given by Argentina to the Vietnamese people in its tough struggle for national independence. This was asserted by Vietnamese party leader Do Muoi while receiving the visiting general secretary of Communist Party of Argentina's Central Committee, Mr. Patricio Echegaray, in Hanoi on Tuesday.

The Vietnamese party leader expressed his hope that the Argentine communists and people will gain further successes in their efforts to be a prosperous country.

War Veterans Welcome Argentine Communist Leader

*BK3112093095 Hanoi VNA in English
1516 GMT 30 Dec 95*

[FBIS Transcribed Text] Hanoi VNA Dec. 30—General secretary of the Communist Party of Argentina, Mr. Patricio Echegaray, who is on an official visit to Vietnam, called at the Vietnam War Veterans' Association (VWVA) yesterday.

Argentine Party General Secretary P. Echegaray was warmly welcomed by Senior Lieutenant-General Tran

Van Quang and Major General Le Thanh, VWVA president and general secretary respectively. Mr. Tran Van Quang expressed sincere gratitude to Mr. Echegaray for his fine sentiments towards the Vietnamese people and veterans. He also asked the Argentine party leader to convey Vietnam veterans' thanks and greetings to the communists, the democratic and progressive forces and people of Argentina who had positively supported the Vietnamese people's resistance for national reunification.

The VWVA president expressed his desire for the promotion of the friendly relations between the two war veterans associations. The Argentine party leader spoke highly of the Vietnamese people's heroic struggles against foreign aggressors, which he said, were not only Vietnam's victory but also the world revolution's one, encouraging the Latin American revolutionary movement and bringing in precious lessons. He conveyed the Argentine party and democratic and progressive forces' greetings to the Vietnamese veterans and wished the VWVA greater successes in its activities.

Delegates in Egypt To Discuss Inspectorate Issue

BK3112091095 Hanoi VNA in English
1244 GMT 30 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 30—Vietnam and Egypt have committed to enhance bilateral cooperation in inspectorate on the basis of their agreement signed in late 1994.

The commitment was made at the talks held in Egypt by a visiting Vietnam State Inspectorate delegation and Deputy President of the Egyptian Administrative Control Agency (ACA) Abdel Hamid Karmal [name and title as received]. The two sides had exchanged experiences in fighting against corruption.

While there, the Vietnamese delegation was received by Secretary General of the National Democratic Party of Egypt Yusuf Wali, Parliament Speaker Admed Sorour and President of the ACA Abdul Racman [names and titles as received]. Mr. Yusuf Wali expressed his belief that the Vietnamese people would attain fruitful achievements in their renovation process for a prosperous and happy country. He also wished the multi-faceted cooperation between Vietnam and Egypt fine development.

The Vietnamese guests also made a tour of some cultural and economic establishments in Egypt during their visit.

List of Products With Reduced Tariffs Issued

BK3112090895 Hanoi Voice of Vietnam in English
1000 GMT 28 Dec 95

[FBIS Transcribed Text] A recent measure, including a list of more than 1,000 kinds of products has been issued by the Vietnamese Government to be implemented as a part of the Common Effective Preferential Tariff for ASEAN countries next year. All the goods and reduced tariffs on the list must be recognized by exporting countries, according to the regulations of the Common Effective Preferential Tariff. The products from the list and their corresponding tariffs will come into effect as from 1 January 1996.

Bank Increases Foreign Exchange Customs Limits

BK3112091595 Hanoi VNA in English
1502 GMT 30 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 30—The Governor of the State Bank has released a decision to increase by USD [U.S. dollar] 2,000 the amount of foreign exchange allowed to be brought in or out of Vietnam by both Vietnamese and foreigners.

The decision says that any Vietnamese or foreigners allowed to bring along USD 7,000 in cash or traveller cheques each without declarations to Vietnamese customs when they arrive in or depart from the country.

The decision takes effect as of January 1st, 1996. Those who take out an amount valued at more than USD 7,000 have to get permission from the State Bank or the commercial bank authorized by the State Bank.

This decision does not apply to residents of border areas in their frequent border crossings.

President Le Duc Anh Discusses Role of Press

BK0301114396 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 1 Jan 96

[FBIS Translated Text] On its front page today, QUAN DOI NHAN DAN reports a meeting between State President Le Duc Anh and a group of QUAN DOI NHAN DAN correspondents to exchange views on the duty of the press.

President Le Duc Anh said what the people want from the press is information on the domestic and international situation, cultural and sports news, features, and stories. The people also pay special attention to current news and short commentaries. It is necessary to present the latest news and information promptly because the people will not read or listen to old news and articles. Concerning the activities of party and state leaders, he

said the press should only present news on their activities and should not propagate their presence at functions or places.

Touching on the role of the press in presenting news on the renovation process and promoting the positive and diligent characteristics of our society, President Le Duc Anh said that journalists should write articles to motivate people to follow the socialist orientation spontaneously. The press should oppose negativism and criticize bad practices while striving to detect and commend new factors, outstanding performances in production and business, and good people and good deeds in various units and localities.

Achievements in Fight Against 'Economic Crimes'

*BK0301155296 Hanoi NHAN DAN in Vietnamese
7 Dec 95 p 3*

[Report by Economic Police Department Director Tran Duy San]

[FBIS Translated Excerpt] In compliance with party and state policy on fighting corruption and smuggling, the Economic Police Force has enacted many measures in a bid to prevent economic crimes. It succeeded in discovering 18,235 economic crimes of all sorts and seizing contraband and property worth a total of 486,263 million dong in the first nine months of 1995.

In the fight against the violation of socialist property, the Economic Police Force succeeded in detecting 1,512 cases (causing losses worth a total of 218.295 billion dong), including 590 corruption cases (causing losses worth 161.007 million dong). It also detected and investigated 585 cases of violations of socialist property (thus attaining 39 percent of the target) and recovered 52.860 billion dong for the state (attaining 24 percent of the target). Examples include a case of deliberate misinterpretation of the law to commit corruption, causing the loss of over 10 billion dong, that took place at the Food Processing for Export Company under the 2d Central Food General Corporation; a case of deliberate misinterpretation of the law to commit corruption in capital construction, causing the loss of 2.5 billion dong, that occurred at the 1st Construction Company of Hanoi; the Yen Phu dike scandal-related court case in Hanoi; another legal case that occurred at the Ca Du truck weighing station in Ninh Thuan; etc.

On the front against smuggling, drug trafficking, and other economic crimes, the Economic Police Force has discovered 16,723 cases countrywide, including 4,611 smuggling cases, 3,723 cases of trading in banned goods (including 230 cases of drug trafficking), 4,921 cases of illegal business activities, 3,190 cases of tax evasion, and 278 cases of production and sale of

contraband goods. In addition, it has coordinated with other authorized agencies in collecting fines valued at 20.823 billion dong from tax evaders and tax dodgers. [passage omitted]

A total of 230 cases involving 302 drug traffickers have been discovered, and 672 kg of opium, 29.7 kg of heroin, 234 kg of assorted narcotics, and 86 kg of marijuana have been seized. Noteworthy is the fact that the smuggling of heroin, morphine, combined narcotics, and opium has reached very alarming proportions. The drug traffickers included foreign nationals who colluded with local people in the production, storage, transportation, and distribution of narcotics. The discovery of the production of a combined illicit drug in Vietnam for the first time was of particular importance. (The case involved the production of methamphetamine in Ho Chi Minh City by Tran Ky Dien, a Taiwanese, and his cohort. The Economic Police Department coordinated with the city public security service in arresting four culprits and seizing 234 kg of methamphetamine.) On the north-western front, the force discovered 70 cases of drug trafficking and seized 196.4 kg of opium and 6.2 kg of heroin. On the Nghe An-Hanoi front, it discovered 40 cases and confiscated 170 kg of opium and 1.9 kg of heroin. [passage omitted]

Deputy Chief Judge Denounced for Taking Bribes

*BK2912141595 Hanoi NHAN DAN in Vietnamese
18 Nov 95 p 1,2*

[FBIS Translated Text] Following a NHAN DAN report on Sunday, 12 November 1995, that "The deputy chief judge of the Civil Court under the Supreme People's Court had been denounced for receiving bribes," the Supreme People's Court sent Memo No.249-TCCB, dated 17 November 1995, to the NHAN DAN Editorial Staff. Its main contents reads as follows:

"On receiving the report about Mr. Bui Van Tham receiving bribes, the chief judge of the Supreme People's Court has asked Mr. Tham to make a statement of self-criticism and has sent cadres to investigate the case. There are sufficient grounds now to conclude that Mr. Bui Van Tham had received gold and money from the relevant subject as reported by your newspaper.

"The office of the Supreme People's Court is investigating Mr. Tham, a judge of the Supreme People's Court. It is going through the various legal procedures on his negative actions for stern legal action to be taken against him. The case will be presented to the state president for consideration."

The memo also pointed out that there are inaccurate details in the press report on Mr. Tham's date of birth

and birthplace. It says this may "easily cause misunderstanding among readers." The memo also asked the newspapers to make the following corrections: "Mr. Bui Van Tham was born in 1954 and is a native of Hoa Binh village, Thuy Nguyen district, Haiphong municipality."

Cement Production Said at 'All-Time High'

*BK0101081296 Hanoi VNA in English
0630 GMT 1 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan. 1 — The Vietnam Cement Corporation (VCC) produced five million tonnes of cement in 1995 or 300,000 tonnes more than the 1994's output, an all-time high.

The VCC also revealed its 1996 plan to produce 5.23 million tonnes and import about 400,000 tonnes of cement to stabilise the price of construction materials in the domestic market throughout the year.

Also in 1995, the VCC manufactured six million fibro-cement roofing sheets and imported about 480,000 tonnes of cement. It has invested tens of billions of dong to increase the capacity of major cement plants such as Hoang Thach, Ha Tien-1, Ha Tien-2 and Bim Son to surpass the goal of 1.2 million tonnes per year.

At the Hoang Thach plant, a new 1.2-million-ton production line has been installed and is now being tested, expecting to become operational in February 1996. Meanwhile, the Bim Son and Da Nang plants have started up packing bag production chains with a capacity of 20 million and 10 million bags per annum, respectively.

However, in April and May of 1995 Vietnam faced a chronic shortage of cement which was developed into a "cement fever" due to a lack of marketing experience and efforts to ensure distribution on a national scale.

The state and the Ministry of Construction forecast that next year Vietnam will need between 8.3-8.5 (?million tonnes) of cement, for which the VCC has outlined a plan to set targets for each plant as well as instructing various companies to prepare plans for cement imports to avoid a "cement fever" as occurred in 1995.

Additionally, the VCC has stepped up efforts to speed up construction of the But Son, Nghi Son and Sao Mai cement plants. The corporation is preparing feasibility studies to call for investment to build the Thanh My cement plant in Da Nang, Central Vietnam, the Lang Bang-B plant in Quang Ninh province, northeast of Hanoi, and expand the But Son plant in the second phase.

There have been indications that in 1999, Vietnam will turn out 14.5 million tonnes of cement plus three million tonnes to be produced by all locally-run cement factories. With the construction of the Lang Bang-B and Thanh My plant as scheduled, Vietnam is likely to manufacture 20 million tonnes of cement by the turn of this century to serve the growing demand for construction in the country early next century.

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